



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

November 12, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**WORKERS' COMPENSATION CLAIMS THIRD PARTY
ADMINISTRATION SERVICES CONTRACT – (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve, and instruct the Chair to sign, the attached contract for workers' compensation claims third party administration services with Intercare Insurance Services (Intercare) for the period from January 1, 2004 through December 31, 2008; with a first-year cost of \$6,760,700.
2. Find that the services provided under this contract are more economically performed by the contractor rather than by County of Los Angeles (County) employees (Attachment 1).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The current workers' compensation claims third party administration (TPA) contract with Crawford & Company expires December 31, 2003. A Request for Proposal (RFP) for workers' compensation claims TPA services was issued on June 2, 2003, to replace the services of Crawford & Company. Crawford & Company adjusts approximately 25% of the County's workers' compensation claims. Four proposals were received and evaluated and the highest-ranked proposer was Intercare.

Board of Supervisors

GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

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Implementation of Strategic Plan Goals

The workers' compensation claims TPA services to be provided by Intercare promote and further the Board-approved County of Los Angeles Strategic Plan goals of:

- Workforce Excellence by providing timely and effective services to injured County workers that facilitate their expeditious and successful return to productive work;
- Organizational Effectiveness by ensuring workers' compensation services are delivered efficiently and effectively; and,
- Fiscal Responsibility by enhancing claims administration cost-effectiveness.

FISCAL IMPACT/FINANCING

The first-year cost of this contract is \$6,760,700. Subsequent years' costs could increase by the lesser of either the general movement in County employee salaries or the Consumer Price Index. If no general movement in County employee salaries occurs within a contract year, Intercare will not be granted a fee increase. Furthermore, annual service fees are subject to a reduction of \$65,000 whenever Intercare reduces, below the expected claim count, the number of open claims by 175 claims enabling Intercare to reduce staff. Conversely, service fees are subject to a \$65,000 increase for each increase of 175 new claims above the expected claim count based on past claim trends. The contract contains financial performance incentives that place Intercare's fees at risk for poor performance and could reward Intercare for above-expected performance. Lastly, the contract contains a provision that requires a reduction in service fees should the Los Angeles Superior Court withdraw from the County's workers' compensation administration system.

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The new contract costs approximately 47% more than the expiring contract. The reasons for the increase are:

1. The number of claims to be adjusted under the contract has increased 24% since the contract was last bid in 2000. County's claims are remaining open longer, consistent with recent statewide experience as documented by the Workers' Compensation Insurance Rating Bureau. This is primarily caused by the treating physician presumption of correctness provision of the California Labor Code and the increase in permanent disability ratings.
2. Based on salary data collected from all proposers in the solicitation process, salaries for workers' compensation claims adjusters increased 12% to 18% since 2000.
3. This contract contains a significant enhancement that requires Intercare to employ a Quality Assurance Monitor.

Overall, Intercare was the highest-ranked proposer. In the process applied to evaluate each proposer, price was the highest-weighted component at 30% of the overall score. The proposed prices ranged from \$6,002,456 to \$7,886,070. The evaluation process, also, considered many factors other than price. These other factors were proposer's: statement of work, including staff experience and training; experience and capability; quality control plan; acceptance of terms and conditions; transition plan; and, customer service. Intercare's proposal exceeded others in the area of staff experience where Intercare's requirements for years of experience exceeded RFP requirements. Additionally, Intercare scored high in customer service as confirmed by our reference checks of Intercare's current customers. Intercare's customers related a high level of client satisfaction. During the presentation portion of the RFP process, Intercare provided a detailed and systematic plan for correcting deficiencies. After consideration of all rating factors, the evaluation committees determined Intercare would provide the most cost-effective service to the County.

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FINANCING

Costs for this contract will be paid by the County's Workers' Compensation Trust Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code section 5.31.050, the Director of Personnel is authorized to administer a complete workers' compensation system. On July 30, 2002, the Director of Personnel delegated this authority to the Chief Administrative Officer.

This contract has been approved as to form by County Counsel.

The County may terminate the contract if sufficient funds are not available.

The Community Business Enterprise (CBE) information form is shown as Attachment 2. None of the proposers are a CBE. However, Intercare was selected without regard to gender, race or creed.

CONTRACTING PROCESS

The CAO Risk Management Branch issued a RFP for workers' compensation claims TPA services on June 2, 2003.

The RFP was posted on the County's Website (Attachment 3). An Invitation to Submit Proposal was mailed to a list of 165 vendors including 19 vendors from the Office of Affirmative Action Compliance, County-certified CBE participating vendors listing. The proposal was advertised in the *Los Angeles Times*, *Los Angeles Sentinel*, *La Opinion*, and *Acton/Agua Dulce* newspapers.

A proposers' conference was held on June 16, 2003. Nineteen companies attended that conference. Four proposals were submitted by the July 14, 2003, due date.

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The RFP process involved three evaluation phases:

- The Minimum Requirements Phase was conducted by CAO staff and consisted of a verification of all minimum requirements described in the RFP.
- The second phase, the Technical Review Phase, conducted on July 30, 2003, consisted of a technical review that included a financial capability assessment by the Auditor-Controller and an evaluation by a Technical Review Committee. The Technical Review Committee consisted of staff from the Department of Parks and Recreation, the Fire Department, and CAO staff possessing workers' compensation expertise. During this phase, one proposer was eliminated, and the remaining three proposers were invited to make oral presentations during the third and final phase of the evaluation process.
- The third and final phase conducted on August 12, 2003, by an Executive Evaluation Committee comprised of department executives from the Department of Human Resources, the Fire Department, and Internal Services Department. This phase consisted of oral presentations from the three remaining proposers, as specified in the RFP.

Following the third phase, scores from the second and third phase evaluations were combined. Intercare's proposal attained the highest score. As determined by the evaluation committees, Intercare's proposal would provide the County and its employees the best combination of service and cost.

This contract is a Proposition A contract and the Proposition A cost analysis demonstrates continued cost-effectiveness by utilizing the services of a TPA. The Proposition A analysis is shown in Attachment 1. The contract should generate first-year Proposition A savings to the County of \$695,446. The Auditor-Controller validated the accuracy of the computation of estimated cost savings.

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The CAO evaluated and determined that Intercare fully complies with the requirements of the Living Wage program (County Code Chapter 2.201) and agrees to pay a living wage to its employees providing County services.

After proposers were notified of their rankings, the proposers attended debriefing sessions with CAO staff. Two of these proposers submitted appeals of their companies' rankings. On October 16, 2003, an appeals panel convened to hear the appeals and determined the original rankings were correct. The appeals panel report can be found in Attachment 4.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

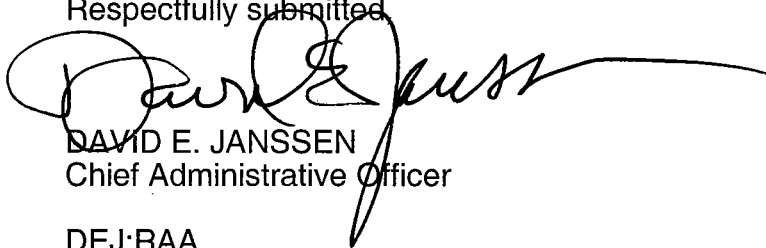
None; approval of this contract provides for the continuation of existing services.

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CONCLUSION

Please sign three copies of the attached agreement and return two copies to the CAO Risk Management Branch, attention Rocky Armfield, County Risk Manager.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a long horizontal flourish extending to the right.

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:RAA
CSS:AMR:mtm

Attachments

c: County Counsel
Auditor-Controller

PROPOSITION A CONTRACTING
WORKERS' COMPENSATION THIRD-PARTY ADMINISTRATION AGREEMENT
COMPARISON OF ESTIMATED AVOIDABLE COSTS TO THE COST OF CONTRACTING

<u>COUNTY</u>		COST OF INCREASE (DECREASE) FROM CONTRACTING
<u>DIRECT</u>		
SALARIES	\$4,647,194	
EMPLOYEE BENEFITS	1,560,528	
TOTAL PERSONNEL COSTS		\$6,207,722
EQUIPMENT/SERVICES & SUPPLIES		873,515
OTHER (COUNTY OVERHEAD)		374,905
TOTAL DIRECT		\$7,456,142
<u>INDIRECT</u>		
TOTAL OVERHEAD	\$0	
TOTAL INDIRECT		\$0
TOTAL AVOIDABLE COST		<u>\$7,456,142</u> (\$7,456,142)
 <u>CONTRACT</u>		
<u>DIRECT</u>		
CONTRACT COSTS	\$4,548,000	
OTHER (CONTRACTOR OVERHEAD)	546,000	
EQUIPMENT/SERVICES & SUPPLIES	738,132	
OTHER (POSTAGE, TRAVEL, ETC)	333,564	
OTHER (CONTRACTOR PROFIT)	595,000	
TOTAL DIRECT		\$6,760,696
<u>INDIRECT</u>		
EMPLOYEE RETRAINING	\$0	
CONTRACT MONITORING	0	
OTHER (SPECIFY)	0	
TOTAL INDIRECT		\$0
TOTAL CONTRACT COST		<u>\$6,760,696</u> \$6,760,696
ESTIMATED SAVING FROM CONTRACTING		<u>(\$695,446)</u>

County of Los Angeles – Community Business Enterprise Program (CBE)

Request for Local SBE Preference Program Consideration and
CBE Firm/Organization Information Form

INSTRUCTIONS: All proposers/bidders responding to this solicitation must complete and return this form for proper consideration of the proposal/bid.

I. LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM:

FIRM NAME: _____

☒ I AM NOT☐ I AM

A Local SBE certified by the County of Los Angeles Office of Affirmative Action Compliance as of the date of this proposal/bids submission.

☐ As an eligible Local SBE, I request this proposal/bid be considered for the Local SBE Preference.

My County (WebVen) Vendor Number : _____

II. FIRM/ORGANIZATION INFORMATION: The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.

Business Structure: ☐ Sole Proprietorship ☐ Partnership ☐ XX Corporation ☐ Non-Profit ☐ Franchise
☐ Other (Please Specify) _____

Total Number of Employees (including owners): 328

Race/Ethnic Composition of Firm. Please distribute the above total number of individuals into the following categories:
31 employees declined to provide information regarding their race.

Race/Ethnic Composition	Owners/Partners/ Associate Partners		Managers		Staff	
	Male	Female	Male	Female	Male	Female
Black/African American				1	2	8
Hispanic/Latino			2	1	14	34
Asian or Pacific Islander				1	7	17
American Indian					1	
Filipino						4
White	9	2	11	15	44	117

III. PERCENTAGE OF OWNERSHIP IN FIRM: Please indicate by percentage (%) how ownership of the firm is distributed.

	Black/African American	Hispanic/Latino	Asian or Pacific Islander	American Indian	Filipino	White
Men	%	%	%	%	%	75%
Women	%	%	%	%	%	25%

IV. CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES: If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency, complete the following and attach a copy of your proof of certification. (Use back of form, if necessary.)

Agency Name	Minority	Women	Dis- advantaged	Disabled Veteran	Expiration Date

V. DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

Print Authorized Name	Authorized Signature	Title	Date
Michael P. Ramser	<i>Michael P. Ramser</i>	Executive Vice President	July 16, 2003

ATTACHMENT 3

Award information has not been added at this time.

Bid Information

Bid Number : CAO01-033

Bid Title : Third-Party Workers' Compensation Claims Administration Services

Bid Type : Service

Department : Chief Administrative Office

Commodity : ADMINISTRATIVE SERVICES, ALL KINDS

Open Date : 6/2/2003

Closing Date : 7/7/2003 5:00 PM

Bid Amount : N/A

Bid Download : [Available](#)

Bid Description : The County of Los Angeles is issuing a Request for Proposals (RFP) for third-party workers' compensation claims administration services. Written questions regarding this RFP are due by June 12, 2003 no later than 12 noon. A Mandatory Proposers' Conference will be held on June 16, 2003, and proposals are due by 5:00 p.m., July 7, 2003.

Amendment Date : 6/5/2003 Part D

Download Available Part D

PDF 1306.42 K [PartD-Final.pdf](#)

Amendment Date : 6/5/2003 Part E - Pages 1 - 24

Download Available Part E - Pages 1 - 24

PDF 1047.93 K [PartEPages1-24.pdf](#)

Amendment Date : 6/5/2003 Part E - Pages 25 - 55 End

Download Available Part E - Pages 25 - 55 End

PDF 2310.29 K [PartEPages25-55End.pdf](#)

Contact Name : Ann Rain

Contact Phone# : (213) 738-2199

Contact Email : arain@cao.co.la.ca.us

Last Changed On : 6/9/2003 9:06:05 AM

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REPORT OF APPEAL COMMITTEE
County of Los Angeles
Request for Proposals for Workers' Compensation Claims Administration
June 2003

The County's Chief Administrative Office (CAO) received two appeals in regard to the aforementioned RFP from the following firms:

1. Cambridge Integrated Services Group, Inc., the second-ranked proposer, submitted an appeal in a letter dated September 15, 2003; and
2. Intercare Insurance Services, the first-ranked proposer, submitted an appeal in a letter dated October 3, 2003.

The Appeal Committee (Committee) convened on October 16, 2003, at 1:30 p.m., to hear and consider the concerns voiced by each firm and the responses hereto by the CAO.

The Committee consisted of the following members: Barbara Knighton, Department of Public Works, and Marion Figueroa, Department of Human Resources. Elizabeth Cortez, Principal Deputy County Counsel, and William Sias, Deputy County Counsel, represented the Committee.

Both appeals related to issues concerning Section 6.8.9, Financial Capability, which states in part:

Provide audited financial statements prepared by an independent Certified Public Accountant for the past three calendar years (2000, 2001, 2002). The financial statements shall pertain to the company that will be performing the services. If the company is, for example, a wholly owned subsidiary of a larger entity, provide financial statements of the subsidiary company, not that of the larger entity solely. The information should indicate that the proposer company can carry all costs for at least a 60 day period at any time during the contract term. If this is not possible, submit a letter from the parent company guaranteeing the negotiated contract resulting from this RFP. The letter must be submitted with this proposal.

Cambridge Integrated Services Group, Inc.

Shelley Temkin, Senior Sales Manager, represented Cambridge Integrated Services Group, Inc.

Ms. Temkin reiterated the issues stated in the appeals letter:

Cambridge requests that the County reevaluate the score Cambridge received for financial capability based upon our exemplary past performance and known sound financial structure and the fact that the certified financial statement is forthcoming.

Cambridge is willing and ready to post a Performance Bond as outlined in the letter to Cambridge from the County dated August 8, 2003.

She stated she understood the requirements stated in the RFP, attended the mandatory bidders' conference, and did not take issues with the RFP's description of the required documents or the selection process.

The CAO presentation stated that Cambridge received a zero in this category because it failed to submit independently audited financial reports for Cambridge for calendar years 2000, 2001, and 2002, pursuant to the provisions of the RFP or, alternatively, a letter of guarantee from the parent company by the proposal deadline. Cambridge submitted audited financial statements for its parent company, Aon Corporation, but did not include the letter of guarantee from the parent company as part of the proposal prior to the proposal deadline. The CAO stated that the willingness to post a bond does not raise the score for the proposer; it merely permits the highest ranked proposer to enter into a contract after it has been awarded.

Committee Finding

The Committee gave consideration to the presentation by Cambridge, the CAO, and a review of the RFP and other relevant documents and after deliberations reached the following consensus:

The Committee found that Section 6.8.9, Financial Capability, specifically states the requirement to submit independently audited financial statements and that the "financial statements shall pertain to the company that will be performing the services." Alternatively, a letter from the parent company guaranteeing the negotiated contract may be submitted with the proposal. Cambridge did not meet this requirement in their proposal prior to the proposal submission deadline. The willingness to post a bond does not meet this requirement and therefore does not affect the score for this factor.

The facts support the award of zero points for the Cambridge proposal in response to Section 6.8.9, Financial Capability of the RFP.

Intercare Insurance Services

Kevin Hamm, Richard Ryan, and Michael Ramser represented Intercare Insurance Services (Intercare).

Intercare reiterated their position stated in the appeal letter which requested a reconsideration of the rating under Section 6.8.9, Financial Stability, due to the investment policies and strategies of their company which is privately held. This position is summarized in the appeal letter as follows:

We assert the longevity of our business, our strength as a service provider, and our strong financial position should result in a scoring much greater than zero.

Intercare stated they had a clear understanding of the requirements of Section 6.8.9, Financial Capability of the RFP. Intercare also stated their proposal provided audited financial statements for one year only and unaudited financial statements for two additional years.

The CAO presentation stated that the Auditor-Controller assessed Intercare's financial stability as "weak" based on its analysis of the company's liquidity and profitability ratios on one year of audited financial statements. The Auditor-Controller was unable to base its evaluation of the company's financial condition on Intercare's unaudited statements because "unaudited financial statements do not necessarily include all disclosures required by generally accepted accounting principles."

Committee Finding

The Committee gave consideration to the presentation by Intercare, the CAO, and a review of the RFP and other relevant documents, and after deliberations reached the following consensus:

The Committee found that Section 6.8.9, Financial Capability, specifically states the requirement to submit independently audited financial statements for three years. Intercare provided financial statements audited by a Certified Public Accountant for calendar year 2002 and unaudited financial statements for 2000 and 2001. Therefore, Intercare did not meet this requirement in their proposal.

The facts support the award of zero points for the Intercare proposal in response to Section 6.8.9, Financial Capability of the RFP.


Barbara Knighton 10/21/03
Date

 10/21/03
Marion Figueroa Date



CONTRACT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
INTERCARE INSURANCE SERVICES
FOR
WORKERS' COMPENSATION
CLAIMS ADMINISTRATION

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PART D - EXHIBITS

Exhibit

- 1 Certification of Independent Price Determination & Acknowledgement of RFP Restrictions
- 2 Cert. No Conflict of Interest Los Angeles Co. Code 2.180.010
- 3 Child Support Compliance Program Certification
- 4 Familiarity of the County Lobbyist Ordinance Certification
- 5 LA County Community Business Enterprise Program
- 6 Principal Owner Information (POI) Form
- 7 Proposer's EEO Certification
- 8 Attestation of Willingness to Consider GAIN/GROW Participants
- 9 County of Los Angeles Contractor Employee Jury Services Program
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10/1/03
g/TPARFP/Table of Contents CONTRACT – Living Wage

Contract # _____

**THIRD PARTY WORKERS' COMPENSATION CLAIMS
ADMINISTRATION SERVICES AGREEMENT**

THIS AGREEMENT is made and entered into this _____ day of _____, 2003, by and between the County of Los Angeles (hereinafter referred to as County), and Intercare Insurance Services, 3010 Lava Ridge Court, Suite 200, Roseville, CA 95661, (hereinafter referred to as the Contractor).

WHEREAS, Los Angeles County Code Section 5.31.050 provides that the Director of Personnel shall have the authority and responsibility to establish, administer and operate a complete self-insured workers' compensation program; and

WHEREAS, on July 30, 2003, the Director of Personnel delegated his authority under the Los Angeles County Code Section 5.31.050 to the Chief Administrative Officer; and

WHEREAS, pursuant to Los Angeles County Code Section 2.121.295, et seq., County is authorized to contract with private business to perform personal services when it is more economical or feasible to do so; and

WHEREAS, Contractor is duly licensed and certified under the laws of the State of California to engage in the business of providing Third Party Workers' Compensation Claims Administration services as described hereunder and possesses the competence, expertise and personnel required to provide such services; and

WHEREAS, in response to County's Request for Proposals for such services, Contractor has submitted its proposal to County and desires to provide such services; and

NOW, THEREFORE, the parties hereto agree to as follows:

**PART A
STANDARD TERMS AND CONDITIONS**

The following are standard terms and conditions that may be included in the final agreement between the County and Contractor.

1.0 TERM

1.1 The term of this Agreement shall commence on the date first herein above written

and shall continue in full force and effect until December 31, 2008. Contractor's delivery of services hereunder shall commence at a date mutually agreeable to the parties but in no event shall the implementation date be later than 12:01 a.m., January 1, 2004.

- 1.2 In the event of expiration of the term of this Agreement or termination prior to the expiration of the term of this Agreement, the Contractor shall fully cooperate with County to provide for the transition to whatever service replacement method the County determines to be in its best interest.
- 1.3 Contractor shall notify County Contractor Administrator (CCA) when this Contract is within six months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to CCA at the address herein provided in Exhibit 12 - County's Administration.

2.0 DESCRIPTION OF SERVICES

- 2.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in the Statement of Work, Part B.
- 2.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

3.0 PAYMENT FOR SERVICES

- 3.1 Contractor shall be paid as set forth in Part B, Section III, Contractor Payment and Adjustments to Payment
- 3.2 Prop A – Living Wage Program:

No invoice will be approved for payment unless the following are included:

- Exhibits 17, 18, and 19 – Payroll Statement of Compliance, Payroll Reporting Form, and Monthly Certification for Applicable Health Benefit Payments.
- 3.3 Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent of the total contract authorization under this Contract. Upon occurrence of this event, Contractor shall send written notification to the CCA at the address herein provided in Exhibit 12.

3.4 No Payment for Services Provided Following Expiration/ Termination of Agreement

Contractor shall have no claim against County, its employees or officials for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Contract. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Contract shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Contract.

3.5 Cost of Living Adjustments (COLA's)

Part B, Statement of Work, Section IV – Payment Schedule shall be adjusted annually based on the increase or decrease in the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County Area for the most recently published percentage change for the 12-month period preceding the contract anniversary date, which shall be the effective date for any cost of living adjustment. However, any increase shall not exceed the general salary movement granted to County employees as determined by the Chief Administrative Office as of each July 1 for the prior 12-month period. Furthermore, should fiscal circumstances prevent the Board from approving any increase in County employee salaries, no cost of living adjustments will be granted. (Technical Exhibit XII.)

4.0 ADMINISTRATION

The Chief Administrative Officer (hereinafter referred to as "CAO") or his authorized designee shall have the authority to administer this contract on behalf of the County. The term "County Contract Administrator (CCA)" as used in this Agreement means the Assistant Division Chief, Risk Management Branch, Chief Administrative Office or CCA's duly authorized designee.

5.0 TERMINATION FOR CONVENIENCE OF THE COUNTY

5.1 Performance of services under this Agreement may be terminated by the County in whole or in part when such action is deemed by the County to be in its best interest. Termination of work shall be effected by delivery to the Contractor of a ninety day prior written Notice of Termination specifying the extent to which the performance work is terminated and the date upon which such termination becomes effective. Said notice of Termination shall be given by the CCA or County Risk Manager.

5.2 After receipt of the Notice of Termination and except as otherwise directed by the County, the Contractor shall:

- 5.2.1 Stop services under this Agreement on the date and to the extent specified in the Notice of Termination.
- 5.2.2 Complete performance of such part of the work as shall not have been terminated by the Notice of Termination.
- 5.2.3 Submit to the County, in the form and with the certifications as may be prescribed by the County, a termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than three months from the effective date of termination. Upon failure of the Contractor to submit a termination claim and invoice within the time allowed, the County may determine on the basis of information available to the County, the amount, if any, due to the Contractor in respect to the termination and such determination shall be final. After such determination is made, the County shall pay the Contractor the amount so determined.
- 5.2.4 Subject to the provisions of the paragraph immediately above, the County and the Contractor shall negotiate an equitable amount to be paid to the Contractor by reason of the total or partial termination of work pursuant to this clause. Said amount may include a reasonable allowance for profit on work done but shall not include an allowance on work terminated. The County shall pay the agreed amount; subject to other limitations and provided that such amount shall not exceed the total funding obligated under this Contract as reduced by the amount of payments otherwise made and as further reduced by the contract price of work not terminated.

6.0 RECORD RETENTION AND INSPECTION

Upon receipt of a written request, the Contractor shall make available to the County and to all authorized representatives for examination, audit, excerpt, copy or transcription any pertinent transaction, activity, time card or other record relating to this Contract. Such material including books, records, documents, case files and all pertinent cost accounting, financial records and proprietary data must be kept and maintained for a period of five years after completion of the Contract, or until such time as all audits are completed, whichever is later.

In the event that records are located outside of a 75 mile radius of the Los Angeles Civic Center area of the County of Los Angeles, the Contractor shall pay the County for travel and per diem costs in connection with an inspection or audit.

- 6.1 Failure on the part of the Contractor to comply with the provisions of this paragraph

shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

7.0 COMPLIANCE WITH THE COUNTY'S LIVING WAGE PROGRAM

7.1 Living Wage Program:

This Contract is subject to the provisions of the County's ordinance entitled Living Wage Program as codified in Sections 2.201.010 through 2.201.100 of the Los Angeles County Code, a copy of which is attached as Exhibit 14 and incorporated by reference into and made a part of this Contract.

7.2 Payment of Living Wage Rates

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not an "Employer" as defined under the Program (Section 2.201.020 of the County Code) or that the Contractor qualifies for an exception to the Living Wage Program (Section 2.201.090 of the County Code), the Contractor shall pay its Employees no less than the applicable hourly living wage rate, as set forth immediately below, for the Employees' services provided to the County under the Contract:
 - a. Not less than \$9.46 per hour if, in addition to the per-hour wage, the Contractor contributes less than \$1.14 per hour towards the provision of bona fide health care benefits for its Employees and any dependents; or
 - b. Not less than \$8.32 per hour if, in addition to the per-hour wage, the Contractor contributes at least \$1.14 per hour towards the provision of bona fide health care benefits for its Employees and any dependents. The Contractor will be deemed to have contributed \$1.14 per hour towards the provision of bona fide health care benefits if the benefits are provided through the County Department of Health Services Community Health Plan. If, at any time during the Contract, the Contractor contributes less than \$1.14 per hour towards the provision of bona fide health care benefits, the Contractor shall be required to pay its Employees the higher hourly living wage rate.
2. For purposes of this subparagraph, "Contractor" includes any subcontractor engaged by the Contractor to perform services for the County under the Contract. If the Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall be subject to the provisions of this subparagraph. The provisions of this subparagraph shall be inserted into any such subcontract and a copy of the Living Wage Program shall be attached to the subcontract. "Employee" means any

individual, who is an employee of the Contractor under the laws of California, and who is providing full-time services to the Contractor, some or all of which are provided to the County under the Contract. "Full-time" means a minimum of 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the County; however, fewer than 35 hours worked per week will not, in any event, be considered full-time.

3. If the Contractor is required to pay a living wage when the Contract commences, the Contractor shall continue to pay a living wage for the entire term of the Contract, including any option period.
4. If the Contractor is not required to pay a living wage when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. The Contractor shall immediately notify the County if the Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if the Contractor no longer qualifies for an exception to the Living Wage Program. In either event, the Contractor shall immediately be required to commence paying the living wage and shall be obligated to pay the living wage for the remaining term of the Contract, including any option period. The County may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate to the County's satisfaction that the Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or that the Contractor continues to qualify for an exception to the Living Wage Program. Unless the Contractor satisfies this requirement within the time frame permitted by the County, the Contractor shall immediately be required to pay the living wage for the remaining term of the Contract, including any option period.

7.3 Contractor's Submittal of Certified Monitoring Reports.

The Contractor shall submit to the County certified monitoring reports at a frequency instructed by the County. The certified monitoring reports shall list all of the Contractor's Employees during the reporting period. The certified monitoring reports shall also verify the number of hours worked, the hourly wage rate paid, and the amount paid by the Contractor for health benefits, if any, for each of its Employees. The certified monitoring reports shall also state the name and identification number of the Contractor's current health care benefits plan, and the Contractor's portion of the premiums paid as well as the portion paid by each Employee. All certified monitoring reports shall be submitted on forms provided by the County (Exhibits 17, 18, and 19), or other form approved by the County which contains the above information. The County reserves the right to request any additional information it may deem necessary. If the County requests additional

information, the Contractor shall promptly provide such information. The Contractor, through one of its officers, shall certify under penalty of perjury that the information contained in each certified monitoring report is true and accurate.

7.4 Contractor's Ongoing Obligation to Report Labor Law/Payroll Violations and Claims

During the term of the Contract, if the Contractor becomes aware of any labor law/payroll violation or any complaint, investigation or proceeding ("claim") concerning any alleged labor law/payroll violation (including but not limited to any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors, or unlawful employment discrimination), the Contractor shall immediately inform the County of any pertinent facts known by the Contractor regarding same. This disclosure obligation is not limited to any labor law/payroll violation or claim arising out of the Contractor's contract with the County, but instead applies to any labor law/payroll violation or claim arising out of any of the Contractor's operations in California.

7.5 County Auditing of Contractor Records.

Upon a minimum of twenty-four hours' written notice, the County may audit, at the Contractor's place of business, any of the Contractor's records pertaining to the Contract, including all documents and information relating to the certified monitoring reports. The Contractor is required to maintain all such records in California until the expiration of four years from the date of final payment under the Contract. Authorized agents of the County shall have access to all such records during normal business hours for the entire period that records are to be maintained.

7.6 Notifications to Employees.

The Contractor shall place County-provided living wage posters at each of the Contractor's places of business and locations where Contractor's Employees are working. The Contractor shall also distribute County-provided notices to each of its Employees at least once per year. The Contractor shall translate into Spanish and any other language spoken by a significant number of Employees the posters and handouts.

7.7 Enforcement and Remedies.

If the Contractor fails to comply with the requirements of this subparagraph, the County shall have the rights and remedies described in this subparagraph in addition to any rights and remedies provided by law or equity.

1. Remedies For Submission of Late or Incomplete Certified Monitoring Reports. If the Contractor submits a certified monitoring report to the County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency shall constitute a breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:
 - a. Withholding of Payment. If the Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, the County may withhold from payment to the Contractor up to the full amount of any invoice that would otherwise be due, until Contractor has satisfied the concerns of the County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.
 - b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages in the amount of \$100 per monitoring report for each day until the County has been provided with a properly prepared, complete and certified monitoring report. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.
 - c. Termination. The Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.
2. Remedies for Payment of Less Than the Required Living Wage. If the Contractor fails to pay any Employee at least the applicable hourly living wage rate, such deficiency shall constitute a breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:
 - a. Withholding Payment. If the Contractor fails to pay one or more of its

Employees at least the applicable hourly living wage rate, the County may withhold from any payment otherwise due the Contractor the aggregate difference between the living wage amounts the Contractor was required to pay its Employees for a given pay period and the amount actually paid to the employees for that pay period. The County may withhold said amount until the Contractor has satisfied the County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

- b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to pay any of its Employees at least the applicable hourly living wage rate will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages of \$50 per Employee per day for each and every instance of an underpayment to an Employee. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.
- c. Termination. The Contractor's continued failure to pay any of its Employees the applicable hourly living wage rate may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

- 3. Debarment. In the event the Contractor breaches a requirement of this subparagraph, the County may, in its sole discretion, bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach, not to exceed three years.

7.8 Use of Full-Time Employees.

The Contractor shall assign and use full-time Employees of the Contractor to provide services under the Contract unless the Contractor can demonstrate to the satisfaction of the County that it is necessary to use non-full-time Employees based on staffing efficiency or County requirements for the work to be performed under the Contract. It is understood and agreed that the Contractor shall not, under any circumstance, use non-full-time Employees for services provided under the Contract unless and until the County has provided written authorization for the use of same. The Contractor submitted with its proposal a full-time Employee staffing plan. If the

Contractor changes its full-time Employee staffing plan, the Contractor shall immediately provide a copy of the new staffing plan to the County.

7.9 Contractor Retaliation Prohibited.

The Contractor and/or its Employees shall not take any adverse action which would result in the loss of any benefit of employment, any contract benefit, or any statutory benefit for any Employee, person or entity who has reported a violation of the Living Wage Program to the County or to any other public or private agency, entity or person. A violation of the provisions of this subparagraph may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

7.10 Contractor Standards.

During the term of the Contract, the Contractor shall maintain business stability, integrity in employee relations and the financial ability to pay a living wage to its employees. If requested to do so by the County, the Contractor shall demonstrate to the satisfaction of the County that the Contractor is complying with this requirement.

7.11 Neutrality in Labor Relations

The Contractor shall not use any consideration received under the Contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of the Contractor's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining Contract, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

8.0 LIMITATION OF THE COUNTY'S OBLIGATION DUE TO NON-APPROPRIATION

Notwithstanding any other provision of this Contract, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

9.0 INDEPENDENT CONTRACTOR STATUS

9.1 This Contract is by and between the County and the Contractor and is not intended,

and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

- 9.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all insurance, compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, insurance coverage, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.
- 9.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

10.0 INDEMNIFICATION

The Contractor shall defend, indemnify and hold harmless the County, County's Districts, employees, officers and agents (County) from and against any and all claims, damages, losses, expenses and liabilities (including but not limited to attorney fees, court costs, the cost of appellate and arbitration proceedings), relating to, arising out of, alleged to have arisen or resulting from the Contractor's acts, errors, mistakes or omissions, work or services. Contractor's duty to defend, indemnify and hold harmless the County shall arise in connection with any claim, damage, loss or expense that is attributable to penalties and excess costs as defined herein, bodily injury, property damage, sickness, disease, death or injury to impairment, or destruction of property including the loss of use therefrom caused in whole or in part by any and all acts, errors, mistakes, omissions, work or service of the Contractor or anyone directly or indirectly employed by the Contractor or anyone for whose acts Contractor may be liable.

Contractor shall not be obligated to defend, indemnify and hold harmless the County for County's sole negligence.

11.0 GENERAL INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the County and during the term of this Contract, the Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Contract. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the County. Such coverage shall be provided and

maintained at the Contractor's own expense.

- 11.1 Evidence of Insurance:** Certificate(s) or other evidence of coverage solely satisfactory to the County shall be delivered to:

Ann Rain
Program Specialist
Chief Administrative Office
Risk Management Branch
3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010

prior to commencing services under this Contract. Such certificates or other evidence shall:

- Specifically identify this Contract;
- Clearly evidence all coverages required in this Contract;
- Contain the express condition that the County is to be given written notice by mail at least thirty days in advance of cancellation for all policies evidenced on the certificate of insurance;
- Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Contract; and
- Identify any deductibles or self-insured retentions for the County's approval. The County retains the right to require the Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to the County, or, require the Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

- 11.2 Insurer Financial Ratings:** Insurance is to be provided by an insurance company acceptable to the County with a current A.M. Best rating of not less than A:X unless otherwise approved by the County.

- 11.3 Failure to Maintain Coverage:** Failure by the Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to the County, shall constitute a material breach of the Contract upon which the County may immediately terminate or suspend this Contract. The County, at its sole option, may obtain damages from the Contractor resulting from said breach. Alternatively, the County may purchase such required insurance coverage, and without further notice to

the Contractor, the County may deduct from sums due to the Contractor any premium or costs advanced by the County for such insurance.

11.4 Notification of Incidents, Claims or Suits: Contractor shall report to the County:

- Any accident or incident relating to services performed under this Contract which involves injury or property damage which may result in the filing of a claim or lawsuit against the Contractor and/or the County. Such report shall be made in writing within 24 hours of occurrence.
- Any third party claim or lawsuit filed against the Contractor arising from or related to services performed by the Contractor, its employees, officials or subcontractors under this Contract.
- Any injury to a Contractor employee that occurs on County property. This report shall be submitted on a County "Non-employee Injury Report" to the County Contract Manager.
- Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to the Contractor under the terms of this Contract.

11.5 Compensation for County Costs: In the event that the Contractor or subcontractor fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to comply results in any premiums or costs to the County, the Contractor shall immediately pay full compensation for all costs incurred by the County.

11.6 Insurance Coverage Requirements for Subcontractors: The Contractor shall ensure any and all subcontractors performing services under this Contract meet the insurance requirements of this Contract by either:

- The Contractor providing evidence of insurance covering the activities of subcontractors, or
- The Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. The County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

11.7 The policies required herein shall include a waiver of rights of recovery (subrogation) against the County, its Districts, employees, officers and

agents for any and all claims, damages, losses, expenses and liabilities arising out of the Contractor's work or service.

- 11.8 The County reserves the right to receive within ten calendar days, certified copies of any or all policies and/or endorsements. The County shall not be obligated to review the same or to advise the Contractor of any deficiencies in such policies and endorsements.

12.0 INSURANCE COVERAGE REQUIREMENTS

- 12.1 **General Liability** insurance at least as broad as ISO policy form CG0001 with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$2 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

Policy shall include coverage for bodily injury, personal injury, broad form property damage; and its additional insured endorsement (naming the County as an additional insured) shall be at least as broad as CG20101185.

- 12.2 **Automobile Liability** written on ISO policy form CA0001 or its equivalent with a limit of liability of not less than \$1 million combined single limit for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto."

- 12.3 **Workers' Compensation and Employers' Liability** insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which the Contractor is responsible. If the Contractor's employees will be engaged in maritime employment, coverage shall provide workers' compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which the Contractor is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

12.4 Performance Security Requirements: Such surety may be provided by one of the following forms and conditioned upon faithful performance and satisfactory completion of services by Contractor.

12.4.1 Performance Bond: A faithful performance bond in the sum of not less than \$1,126,783 payable to the County of Los Angeles and executed by a corporate surety licensed to transact business in the State of California, or,

Certificate of Deposit (CD) or Letter of Credit (LOC): A CD or an irrevocable LOC payable to the County upon demand in an amount not less than \$1,126,783. Such CD or LOC shall comply with minimum criteria and standards established by the County and be maintained throughout the term of the Agreement.

12.5 Professional Errors and Omissions Liability Insurance covering the Contractor's acts, errors, mistakes or omissions for \$1,000,000 per claim.

12.6 Crime Coverage: Insurance with limits in amounts not less than indicated below covering against loss of money, securities, or other property referred to in this Contract, and naming the County as loss payee.

Employee Dishonesty:	\$1 million
Forgery or Alteration:	\$1 million
Theft, Disappearance and Destruction:	\$1 million
Computer Fraud:	\$1 million
Burglary and Robbery:	\$1 million

13.0 COVENANT AGAINST CONTINGENT FEES

13.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

13.2 For breach of this warranty, the County shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

14.0 GOVERNING LAWS

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

15.0 COMPLIANCE WITH LAWS

15.1 The Contractor shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.

15.2 The Contractor shall indemnify and hold harmless the County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of the Contractor or its employees, agents, or subcontractors of any such laws, rules, regulations, ordinances, or directives.

16.0 TERMINATION FOR DEFAULT OF THE CONTRACTOR

16.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Contract, if, in the sole judgment of County's Contract Administrator or County Risk Manager:

- Contractor has materially breached this Contract;
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

16.2 In the event that the County terminates this Contract in whole or in part as provided in subparagraph 16.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the

County for any and all excess costs incurred by the County for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this subparagraph.

- 16.3 At the discretion of the County, except with respect to defaults of any subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in subparagraph 16.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this subparagraph 16.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.
- 16.4 If, after the County has given notice of termination under the provisions of this subparagraph 16.0, it is determined by the County that the Contractor was not in default under the provisions of this subparagraph 16.0, or that the default was excusable under the provisions of subparagraph 16.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to subparagraph 5.0 - Termination for Convenience.

17.0 CHANGES AND AMENDMENTS OF TERMS

- 17.1 County reserves the right to initiate Change Notices that do not affect the scope, term, contract sum or payments. A change in performance standards pursuant to paragraph 1.0 of Part B, Section III may be made by Change Notice. All such changes shall be accomplished with an executed Change Notice signed by the Contractor and by the CCA. The CCA is authorized to enter into and execute such change notices.
- 17.2 Upon mutual agreement between CAO and Contractor, the Contractor shall assume County workload from other third party administrators at the same

terms as this Contract. The CAO is authorized to enter into and execute such amendment.

- 17.3 For any revision to this Contract that affects the scope of work, period of performance, payments, or any term or condition of this Contract, except for those exceptions specifically provided for in this Contract, a negotiated amendment to this Contract shall be executed by the County Board of Supervisors and the Contractor.

17.4 Facsimile Representations

The County and the Contractor hereby agree to regard facsimile representations of original signatures of authorized offices of each party, when appearing in appropriate places on the Change Notices and Amendments prepared pursuant to subparagraph 17.0 and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

18.0 DELEGATION AND ASSIGNMENT

- 18.1 The assumption, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, or the assumption, assignment, or takeover of any of the Contractor's rights by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration, for any reason whatsoever, shall occur only with the County's prior written approval.
- 18.2 Any unapproved assumption, assignment, delegation, or takeover of any of the Contractor's duties or rights shall be null and void. Any attempted assumption, assignment, delegation, or takeover of any of the Contractor's duties or rights may be deemed a material breach of this Contract.
- 18.3 Any payment by County to any approved delegate or assignee on any claim under this Contract shall be deductible against the claims which the Contractor may have against the County.

19.0 SUBCONTRACTING

- 19.1 The requirements of this Contract may not be subcontracted by the Contractor without the advance approval of the County. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.

- 19.2 If the Contractor desires to subcontract, the Contractor shall provide the following written information promptly at the County's request:
- 19.2.1 A description of the services to be provided by subcontractor.
 - 19.2.2 Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected.
 - 19.2.3 The proposed subcontract amount, together with the Contractor's cost or price analysis thereof.
 - 19.2.4 A copy of the proposed subcontract. Any later modification or amendment of such subcontract shall be approved in writing by the CCA before such modification or amendment is effective.
- 19.3 Subcontracts shall be made in the name of the Contractor and shall not bind nor purport to bind the County. The making of subcontracts hereunder shall not relieve the Contractor of any requirement under this Agreement, including, but not limited to, the duty to properly supervise and coordinate the work of subcontractors. Approval of the provisions of any subcontract by the CCA shall not be construed to constitute a determination of the allow ability of any cost under this Agreement. In no event, shall approval of any subcontract by the CCA be construed as effecting any increase in the amount contained in the maximum obligation of the County.
- 19.4 The Contractor shall defend, indemnify and hold the County, its employees and officials harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were Contractor employees or officials.
- 19.5 The Contractor shall remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.
- 19.6 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all work and personnel, including subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its subcontractors of this County right.
- 19.7 The CCA is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees.

- 19.8 The Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.
- 19.9 The Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to the Ann Rain, Program Specialist, Chief Administrative Office, Risk Management Branch, 3333 Wilshire Boulevard, Suite 1000, Los Angeles, CA 90010 before any subcontractor employee may perform any work hereunder.

20.0 TERMINATION FOR IMPROPER CONSIDERATION

County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing the Contract or securing favorable treatment with respect to the award, amendment or extension of the Contract or the making of any determinations with respect to the Contractor's performance pursuant to the Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the county manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (626) 293-1413 or (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

21.0 REPORTS AND RECORDS

Upon expiration of this Contract, or in the event of cancellation, on the demand of the CCA or County Risk Manager, all documents, reports, records, case files, correspondence and work product relating to Contractor's operations under this Contract shall be immediately returned to the CCA or to such other location in the County as the CCA may direct. It is understood that all of the materials described above are the property of the County and not of the Contractor herein.

22.0 DISCLOSURE OF INFORMATION

The Contractor shall not disclose any details in connection with this Contract to any party, except as may be otherwise provided herein or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit Contractor from publicizing its role under this Contract within the following conditions:

22.1 The Contractor shall develop all publicity material in a professional manner.

22.2 During the course of performance of this Contract, the Contractor, its employees, agents, and subcontractors shall not publish or disseminate commercial advertisements, press releases, opinions or feature articles, using the name of the County without the prior consent of the CCA.

23.0 NOTICE OF DELAYS

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one day, give notice thereof, including all relevant information with respect thereto, to the other party.

24.0 VALIDITY

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

25.0 WAIVER

No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof.

26.0 DEFAULT FOR INSOLVENCY

26.1 The County may terminate this Contract forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal

Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;

- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

26.2 The rights and remedies of the County provided in this subparagraph 26.0 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

27.0 NOTICES

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits 12, County's Administration, and 13, Contractor's Administration. Addresses may be changed by either party giving ten days' prior written notice thereof to the other party. The Chief Administrative Officer shall have the authority to issue all notices or demands required or permitted by the County under this Contract.

28.0 NON-DISCRIMINATION IN EMPLOYMENT

28.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

28.2 The Contractor shall certify to, and comply with, the provisions of Exhibit 7 - Contractor's EEO Certification.

28.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion,

transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

- 28.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation.
- 28.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 28.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this subparagraph 28.0 when so requested by the County.
- 28.7 If the County finds that any provisions of this subparagraph 28.0 have been violated, such violation shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.
- 28.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the County shall, at its sole option, be entitled to the sum of Five Hundred Dollars for each such violation pursuant to California Civil Code Section 1671 as liquidated damages.

29.0 NON-DISCRIMINATION IN SERVICES

The Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex, or age in accordance with all applicable requirements of Federal and State law.

29.1 For the purpose of this section, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of a facility; providing any service or benefit to any person which is different or is provided in a different manner or at a different time from that provided to others; subjecting any person to segregation or separate treatment in any manner related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service; treating any person differently from others in determining admission, enrollment quota, eligibility, membership or any other requirement or condition which persons must meet, in order to be provided any service or benefit.

29.2 The Contractor shall take positive steps to ensure that claimants are provided services without regard to race, color, religion, national origin, ancestry, sex, or age.

30.0 ASSURANCE OF COMPLIANCE WITH CIVIL RIGHTS LAWS

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with Exhibit 7 - Contractor's EEO Certification.

31.0 CONFLICT OF INTEREST

The Contractor represents and warrants that no County employee whose position in the County enables him/her to influence the award of this Contract, and no spouse or economic dependent of such employee is or shall be employed in any capacity by the Contractor herein or does or shall have any direct or indirect financial interest in this Agreement.

32.0 CONFIDENTIALITY

The Contractor, its employees, officials and subcontractors shall maintain the confidentiality of all its records, including but not limited to billing, County records, case records and patient records, in accordance with all applicable Federal, State and local laws, regulation, ordinances and directives relating to confidentiality. The Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract. As a condition of employment, all employees of the Contractor must sign and adhere to

the attached "Contractor Employee Acknowledgement and Confidentiality Agreement" (Part D, Exhibit 10).

The Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the "Contractor Non-Employee Acknowledgement and Confidentiality Agreement", (Part D, Exhibit 11).

32.1 Applicability of Labor Code Section 3762

Contractor and County agree that the Chief Administrative Officer (CAO), the CCA, those County employees specified by the CAO or the CCA to administer the County's workers' compensation system, County Counsel staff, the County's defense attorneys, and any outside auditor designated by CAO to audit this Contract shall have complete access to all case files and any other records created or held by Contractor pursuant to this Agreement, including access to any and all medical reports and records held by Contractor pursuant to this Agreement (Technical Exhibit XVI).

33.0 AUTHORIZATION WARRANTY

The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

34.0 MERGER

This Contract and all documents which are incorporated therein by reference, shall constitute the complete and exclusive statement of understanding between the parties which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Contract.

35.0 LICENSES, PERMITS, REGISTRATIONS AND CERTIFICATES

The Contractor, its employees, officials and subcontractors shall obtain and maintain in effect during the term of this Contract, all licenses, permits, registrations and certificates required by law, which are applicable to the performance of this Agreement, and shall further ensure that all of its officers, employees and agents who perform services hereunder obtain and maintain in effect during the term of this Contract, all licenses, permits, registrations and certificates required by law which are applicable to their performance of services hereunder.

36.0 CONTRACTOR'S OFFICE

The Contractor shall notify, in writing, the Chief Administrative Office, 3333 Wilshire Boulevard, Suite 1000, Los Angeles, California 90010, of any change in its business address, at least ten (10) calendar days prior to the effective date thereof.

37.0 UNLAWFUL SOLICITATION

37.1 The Contractor shall inform all of its employees, officials and subcontractors performing services hereunder of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with section 6150) of the California Business and Professions Code (i.e. State Bar Act provisions regarding unlawful solicitations as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of such provisions by its employees.

37.2 The Contractor shall inform all of its officers, employees, agents and subcontractors performing services hereunder of the provisions of Labor Code Section 3219.

38.0 EMPLOYMENT AUTHORIZATION

The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor, its employees, officials and subcontractors or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

39.0 COUNTY LOBBYIST ORDINANCE

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with

the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

40.0 COUNTY'S RIGHT TO RENEGOTIATE CONTRACT

In the event of significant shortfalls in the County's budget for any fiscal year, the County reserves the right to renegotiate its payment obligation under this Contract during such period of budget shortfall or to terminate this contract. The County shall give the Contractor 30 calendar day written notice of its intention to exercise its right to renegotiate its payment obligation or terminate this Contract pursuant to this paragraph.

41.0 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST

Should the Contractor require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Contract.

42.0 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor.

In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

43.0. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contract are in compliance

with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this contract to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this contract maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

44.0 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

Contractor acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is County's policy to encourage all County contractors to voluntarily post County's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. County's Child Support Services Department will supply Contractor with the poster to be used.

45.0 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 43.0 "CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM" shall constitute a default by Contractor under this contract. Without limiting the rights and remedies available to County under any other provision of this contract, failure to cure such default within 90 days of notice by the County of Los Angeles Child Support Services Department shall be grounds upon which the County Board of Supervisors may terminate this contract.

46.0 COUNTY'S QUALITY ASSURANCE PLAN

The County or its agent will evaluate the Contractor or subcontractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor or subcontractor deficiencies which the County determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors. The report will

include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Contract or impose other penalties as specified in this Contract.

47.0 WAGE AND HOURS LAWS

Contractor will, during the term of this Agreement, comply with all wage and hour laws, including, but not limited to the federal Fair Labor Standards Act and its regulations. Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers and employees from any liability which may be assessed against Contractor, the County, and the County's agents, officers or employees, or any of them, as a result of alleged violation of any of such statutes and regulations by use of services of persons under this agreement.

48.0 USE OF RECYCLED-CONTENT PAPER

Consistent with the Board of Supervisor's policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on the Agreement.

49.0 INCREASED AWARENESS OF EARNED INCOME TAX CREDIT (EITC) BENEFITS

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015 (Technical Exhibit XXII).

50.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

50.1 A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible contractors.

50.2 The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding on County contracts for a specified period of time not to exceed three years, and

terminate any or all existing contracts the Contractor may have with the County.

- 50.3 The County may debar a contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1): violated any term of a contract with the County, (2) committed any act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County or any public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any public entity.
- 50.4 If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- 50.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred, and, if so, the appropriate length of time of the debarment. If the Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the contractor may be deemed to have waived all rights of appeal.
- 50.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.
- 50.7 These terms shall also apply to subcontractors/subconsultants of County contractors.

51.0 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

51.1 Jury Service Program.

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

51.2 Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this subparagraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this subparagraph. The provisions of this subparagraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.
3. If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the County's

satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

4. Contractor's violation of this subparagraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

52.0 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Technical Exhibit XXIII of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

53.0 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the County placed a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used.

54.0 LIQUIDATED DAMAGES

- 54.1 If, in the judgment of the CAO, the Contractor breaches the Contract requirements as specified in the Performance Requirements Summary (PRS) Chart, as defined in Part C, Technical Exhibit IX, hereunder, the County will have a claim for the sum specified in the PRS, to be paid by the Contractor in accordance with the Contract as liquidated damages. The Chief Administrative Officer, or his/her designee shall notify Contractor in writing of the specific instances and areas of noncompliance and/or nonperformance and the corresponding unsatisfactory performance deductions.

54.2 This subparagraph shall not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law or as specified in the PRS, and shall not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

55.0 INTERPRETATION

This contract shall be governed by and construed in accordance with the law of the State of California. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this contract.

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IN WITNESS THEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its Chairman and the seal of such Board to be hereto affixed, and attested to by the Executive Officer-Clerk thereof, and the Contractor has caused this Agreement to be subscribed to on its behalf by its duly authorized officer, the day, month and the year first above written.

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS, Executive
Officer-Clerk of the Board of
Supervisors of the County of
Los Angeles

By _____
Deputy

Contractor
By Michael P. Ramon
Title Executive Vice President

(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:

Lloyd W. Pellman
County Counsel

By  _____
Deputy

10/2/03
g/TPARFP/Contract - Intercare

PART B

STATEMENT OF WORK SECTION I - DEFINITIONS

The following definitions apply to this Statement of Work describing the major responsibilities and duties of the County and the Contractor.

1.0 ACCEPTABLE QUALITY LEVEL (AQL)

A measure expressing the maximum allowable leeway or variance from a performance standard before the County will reject a specified service. An AQL does not imply that the Contractor may knowingly perform in a defective way. It implies that the County recognizes the fact of unintentional human error. If defective performance exceeds the minimum standards as described in the Quality of Work Performance Requirements Summary, a Contract Discrepancy Report (CDR) shall be issued. Additionally, wherever possible, the Contractor must re-perform all work to correct the identified defect(s).

2.0 ADDENDUM

A document added to or supplanting portions of this Request For Proposal or a document added to or supplanting portions of the proposal submitted by the Contractor.

3.0 ALLOCATED EXPENDITURES

The term "Allocated Expenditures" or "Allocated Loss Expense" shall mean all Workers' Compensation Appeals Board or court costs, fees and expenses; fees for service of process; fees to attorneys and paralegals; the cost of services of outside undercover investigators or operatives and detectives; and vocational rehabilitation counselors; the costs of employing independent experts for the purpose of preparing maps, photographs, diagrams, analysis, or giving expert advice or opinions; the cost of copies of transcripts of testimony at Coroner's Inquests or criminal or civil proceedings; the photocopy cost of obtaining copies of any public records; the cost of depositions and court reporter fees; and any similar cost or expenses properly chargeable to the defense of a particular claim or to protect the subrogation rights of the County. Generally, the above services are typically not performed by the Contractor responsible for administration of the claim file. "Allocated Loss Expense" is not included in the fee paid to the Contractor.

4.0 BASE FEE

The Base Fee is the flat, one-time fee per new claim or the annual flat fee for provision of all services. The Base Fee is subject to increase or decrease in accordance with, of Section III, of this Statement of Work.

5.0 CHIEF ADMINISTRATIVE OFFICER

The Chief Administrative Officer of the County of Los Angeles.

6.0 CONTRACT DISCREPANCY REPORT

The Contract Discrepancy Report (Technical Exhibit X) is a report used by the County's Quality Assurance Evaluator to record contract information regarding discrepancies or problems with the Contractor's performance. If the Contractor's performance is judged unsatisfactory, the Quality Assurance Evaluator shall forward a Contract Discrepancy Report to the Contractor for response.

7.0 CONTRACT START DATE

The date that the Contractor begins work (the start of the basic terms of the contract).

8.0 CONTRACTOR'S QUALITY CONTROL PLAN

This term shall mean all measures taken by Contractor to assure that the services described in Part B, Section II, Statement of Work are provided at the highest possible level of quality.

9.0 COUNTY

The County is the governmental entity, the County of Los Angeles.

10.0 COUNTY'S CONTRACT ADMINISTRATOR

The County's Contract Administrator (CCA) is the Assistant Division Chief, Risk Management Branch, or his/her duly authorized designee. The CCA is the designated agent of the County for the purposes of administering the County's self-insured workers' compensation program.

11.0 COUNTY'S CONTRACT MANAGER

The County's Contract Manager is the Chief Program Specialist, Risk Management Branch or his/her designee.

12.0 COUNTY COUNSEL

The governmental office of Los Angeles County providing legal counsel and related services to County officers and departments.

13.0 COUNTY'S WORKERS' COMPENSATION RISK MANAGEMENT INFORMATION SYSTEM

The County installed workers' compensation system. The current version GENCOMP for Windows software modules were licensed to the County by GenSource Corporation. The system includes on-line input of claims, vocational rehabilitation and litigation data including all payment and salary continuation authorizations. The County Auditor-Controller issues all warrants pursuant to payment authorizations transmitted by the Risk Management Branch.

Should County change its workers' compensation risk management information system during the term of this Contract, Contractor shall convert to the County's new system, at a time of County's choosing, at sole expense to Contractor.

14.0 CONTRACTOR'S CONTRACT MANAGER

The Contractor's Contract Manager is the designated officer or employee responsible for all actions needed to administer the contract.

15.0 INDEMNITY OR DISABILITY CASE

A claim involving one or more of the following: temporary disability due, ratable permanent disability anticipated, death of the claimant, application for adjudication of claim filed, medical costs over \$3,500, benefits due more than six months after opening of case, and designation by the Claims Examiner.

16.0 MEDICAL-ONLY CASE

A non-litigated claim involving only medical payments which are not expected to exceed three thousand five hundred dollars (\$3,500). Indemnity payments are not anticipated.

17.0 NON-INCLUDED SERVICES (See Allocated Expenditures)

18.0 PERFORMANCE INDICATORS

Characteristics which are used to measure and evaluate work. The annual audit measures TPA performance on each of the indicators.

19.0 PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

A chart located in Part C, Technical Exhibit IX, that summarizes all adjustments to payments made to Contractor pursuant to Contract Terms and Conditions.

20.0 QUALITY OF WORK PERFORMANCE REQUIREMENTS SUMMARY (QWPRS)

The document which summarizes the key performance indicators.

21.0 QUALITY ASSURANCE EVALUATOR (QAE)

The Quality Assurance Evaluator is a County employee designated as an agent for the County responsible for monitoring the Contractor's performance, approving over limit payments, advising and training third party administrator staff in County payroll systems and other County procedures. At times this employee may be referred to as "County Monitor."

22.0 COUNTY QUALITY ASSURANCE MONITORING PLAN (QAMP)

The County may use a variety of inspection methods to evaluate the Contractor's compliance with the Agreement Standard Terms and Conditions. The methods that may be used are identified, but are not limited to those included in the PRS, Part C, Technical Exhibit IX of this Agreement.

23.0 COUNTY'S QUALITY CONTROL PLAN

This term shall mean all measures taken by the Contractor to assure that the quality of an end-product or service will meet the County's contract requirements regarding timeliness, accuracy, appearance, completeness, consistency, and conformity to the requirements set forth in the QWPRS, Part C, Technical Exhibit VIII.

24.0 RANDOM SAMPLE

A sampling method where each service output has an equal chance of being selected.

25.0 RISK MANAGEMENT BRANCH

The organizational unit of the County's Chief Administrative Office responsible for administration of the County's self-insured program for workers' compensation.

26.0 TAIL CLAIM

An open indemnity claim or a legitimately and properly closed claim which subsequently must be re-opened for a period of some time for adjusting services.

27.0 TAKE-OVER (ASSUMPTION) FEE

A separate one-time fee paid over the first 12 months of the contract term that covers all costs for the assumption of all tail claims. All take-over (assumption) costs and costs of administering all tail claims must be included and amortized in this fee.

28.0 THREE POINT CONTACT

This term shall mean the contact, by the Contractor's examiner, of the injured employee or his legal representative, the appropriate County department personnel and the treating physician.

29.0 USER COMPLAINT REPORT

The report submitted by an individual or group of individuals to record discrepancies or problems with the Contractor's performance. The Contractor may be required to respond to a User Complaint Report and may be part of a Contract Discrepancy Report.

30.0 WORKDAY

Throughout the Statement of Work, whenever "workday" appears, it means a normal workday, Monday through Friday, 8:00 A.M. to 5:00 P.M., except County holidays. Except as noted in 1.3.7, Section II, Statement of Work.

PART B

SECTION II - CONTRACTOR'S SERVICES

1.0 SCOPE OF WORK

The Contractor shall provide workers' compensation claims administration services for all existing claims as well as all new claims reported during the contract period for designated County departments, shown in Part C, Technical Exhibit III of this Agreement.

The Contractor shall provide these services in accordance with the following standards:

1. Those specific standards and requirements set forth in this Agreement.
2. To the extent a specific standard or requirement is not set forth in this Agreement, those standards and requirements set forth in the governing statutes and regulations, including any amendment to these statutes and regulations during the term of this Agreement.
3. To the extent a specific standard or requirement is not set forth in this Agreement or the governing statutes and regulations, the specific standard or requirement set forth in the Change Notice signed by the CCA and the Contractor's Contract Manager.

1.1 Program Development

Contractor's responsibilities include but are not limited to the following:

- 1.1.1 Monthly review of procedures and practices with County personnel to ensure that the County's Workers' Compensation Program is in compliance with State requirements as well as with sound workers' compensation claims management.
- 1.1.2 Provide assistance in changing County policy and procedures to implement legislative changes or State rules and regulations which impact the County's workers' compensation program.

1.2 Claims Management

Contractor's responsibilities include but are not limited to the following:

1.2.1 Review and process all industrial injury cases in accordance with County standards and requirements of the State Department of Industrial Relations for reporting and notification. All liability decisions and required notices for those decisions will be made within 90 days, or less if required by State of California statutes or regulations, from the date of employer's knowledge of injury in accordance with law, including but not limited to Labor Code section 5402.

1.2.1.1 The claims adjuster shall submit to the COUNTY QAE and FAX to the COUNTY department a checklist in the form indicated in Technical Exhibit VI for all indemnity claims at the following intervals subject to change at the discretion of the CCA:

1.2.1.1.1 45 days from the date of employer's knowledge of injury

1.2.1.1.2 75 days from the date of employer's knowledge of injury

1.2.1.1.3 90 days from the date of employer's knowledge of injury

1.2.1.2 The claims examiner shall immediately notify the COUNTY QAE of any claim or injury where the date of employer's knowledge of the injury is more than 30 days prior to the date of CONTRACTOR's knowledge of the injury.

1.2.2 Determine compensability of injuries and illnesses in accordance with State Workers' Compensation laws, including but not limited to the following:

1.2.2.1 Obtain a medical report addressing the issue of AOE/COE within 90 days, or less as required by law, from the date of employer's knowledge of injury.

- 1.2.2.2 Where there is evidence that a claimed injury is not work related, deny the claim within 90 days, or less as required by law, of filing of the claim or within 90 days or less from the date of employer's knowledge in accordance with law, including but not limited to Labor Code section 5402.
- 1.2.3 Determine eligibility for and authorize temporary disability compensation benefits in accordance with medical advice and rehabilitation efforts.
- 1.2.4 Obtain County approvals in accordance with approval limits established by the CCA prior to the negotiation of any compromise and release agreement.
- 1.2.5 Determine the extent and degree of permanent disability, utilizing, as necessary and desirable, consultative ratings from the Disability Evaluation Unit of the Office of Benefit Determinations.
- 1.2.6 Authorize payments, in accordance with approval limits, for temporary and/or permanent disability compensation, medical care and death benefits in accordance with advisory ratings, or orders of the Workers' Compensation Appeals Board or compromise and release agreements.
 - 1.2.6.1 Ensure that all indemnity benefits are paid accurately by completing a Balance Sheet (Part C, Technical Exhibit XV) in accordance with County procedures and time frames.
- 1.2.7 Investigate, as necessary and appropriate, questionable cases and the status of disabled employees in order to assist in the adjustment and litigation of cases and in the proper referral of suspected fraudulent cases.
- 1.2.8 Take all necessary actions, including timely notification, to assist the County in recovering reimbursement for County liability through third-party subrogation, reinsurance, apportionment, and/or contributions from the State Compensation Insurance Fund on cases involving shared liability.

- 1.2.9 Provide the County's Risk Management Branch or the long-term and short-term disability claims adjusting contractor with copies of the employee's report of injury, medical reports from the workers' compensation files and the award letter and exchange other pertinent case information on those Workers' Compensation claims also having a long-term disability claim with the County for the same condition.
- 1.2.10 Provide the County aid and assistance in returning injured employees to their usual and customary or modified/alternate assignments in a timely manner.

1.3 Medical Control

Contractor's responsibilities include but are not limited to the following:

- 1.3.1 Monitor treatment programs for injured or ill employees, including review of all medical reports to ensure reasonable fees, appropriate medical care, and determine need for specialty evaluations. Ensure that the treating doctor is complying with the requirements of Title 8, California Administrative Code, section 9785.
 - 1.3.1.1 File petition to remove treating doctors who fail to comply with Labor Code section 9785.
- 1.3.2 Make all necessary medical appointments.
- 1.3.3 Maintain close liaison with treating physicians to provide guidance to the employing County department in evaluating employee's ability to return to work and/or recommend further treatment program.
- 1.3.4 Evaluate and make recommendations for the panel of physicians who are utilized for the initial treatment of employees and the panel of physicians used for treatment requiring long-term treatment or specialty care and evaluation. Make on-going recommendations for up-dating of these panels.
- 1.3.5 Utilize information provided by and cooperate in the enforcement of any medical case management program implemented by the CCA for County claims including, but not limited to obtaining pre-certification for medical procedures through utilization review and requesting case management on older claims as needed or at County's request.

- 1.3.6 Provide written policies and procedures within 60 days of contract inception to ensure timely referrals of cases to managed care contractors and to maintain close coordination with managed care staff on a continuing basis.
- 1.3.7 In accordance with Labor Code 4600.4, maintain adequate staffing until 5:30 p.m. to authorize medical treatment.
- 1.3.8 Process bills and liens for medical legal expenses so as to either pay the bill or lien in accordance with the official fee schedule or object to the bill or lien within the period designated by law, including but not limited to Labor Code section 4622.
- 1.3.9 Process bills and liens for medical treatment expenses so as to either pay the bill or lien in accordance with the official fee schedule or object to the bill or lien within the period designated by law, including but not limited to Title 8, California Administrative Code section 9792.5.
- 1.3.10 Prepare an affidavit regarding resolution of liens and submit the affidavit to COUNTY's defense attorney at least 10 days prior to any MSC.

1.4 Customer Service

Contractor's responsibilities include but are not limited to the following:

- 1.4.1 Provide information and guidance to injured employees on benefits they will receive in accordance with State laws as well as additional County work injury benefits.
- 1.4.2 Assist in identifying and resolving employee problems arising out of industrial injuries.
- 1.4.3 At County direction, at Contractor's sole expense, consult with employee groups, County departmental representatives, management, or central staff, on problems in accordance with County policies.
- 1.4.4 Develop and recommend policies and procedures to ensure that the employee's return to work is consistent with the findings of disability as determined by the Workers' Compensation Appeals Board.

- 1.4.5 Provide responses to inquiries from County Risk Management Branch, departments' management and department Return-to-Work Coordinators of client departments on the status of cases. Make available at regular intervals and/or upon specific request of client departments, defense attorneys or the Chief Administrative Office, the claims administration checklist (Technical Exhibit VI).

1.5 Litigation and Subrogation

The County Counsel, or a designated private law firm, provides legal services for all County Workers' Compensation Claims. Contractor's responsibilities include but are not limited to the following:

- 1.5.1 Provide all necessary claims information and other assistance to legal counsel for the defense of litigated claims.
 - 1.5.1.1 Provide a copy of all notices of conferences, mandatory settlement conferences (MSCs) or hearings before the WCAB to County Counsel within five days from date of receipt.
 - 1.5.1.2 All litigation files will be prepared and sent to County Counsel within 45 days from the date the WCAB application is received.
 - 1.5.1.3 Forward all medical reports and correspondence from applicant or applicant's attorney to County's defense attorney within 5 days from date of receipt.
 - 1.5.1.4 Provide to County's defense attorney a complete summary of all benefits paid (amounts and periods) to the injured employee along with a completed Balance Sheet, at least one week prior to any MSC and provide an updated summary as necessary for other WCAB proceedings.
 - 1.5.1.5 Correspondence, telephone calls, and e-mail from defense attorney's will be responded to within two weeks or sooner if the correspondence is urgent in nature, e.g. necessitated by an upcoming WCAB appearance date.
- 1.5.2 Monitor and report to County Risk Management Branch all claims with potential subrogation recoveries; prepare correspondence to effect

collection or, at the request of the County, refer subrogation claims information to County Counsel for subrogation recovery assignment. Provide necessary information and assistance to legal counsel assigned the subrogation claim.

- 1.5.3 Provide a written status report on open litigated and subrogated cases as requested. Parameters of this report will be established by CCA.
- 1.5.4 The Contractor shall follow the County's policy, which provides that all indemnity workers' compensation claims shall be reported to the L.A. Index Bureau when notification of legal representation is received. Other claims may be reported when warranted at the request of the Claims Examiner.

1.6 Rehabilitation Services

When medically appropriate, Contractor shall coordinate implementation of rehabilitation plans for injured employees for approval by the County, the employee and other agencies, to provide rehabilitation, re-training or re-assignment for employees with physical or performance limitations resulting from industrial injuries, pursuant to Labor Code Section 139.5.

Contractor's responsibilities include, but are not limited to the following:

- 1.6.1 Manage all rehabilitation cases including evaluation, control, monitoring and selection of duly licensed professional rehabilitation service providers approved by the CCA.
- 1.6.2 Determine initial rehabilitation efforts for each injured employee with primary emphasis on returning employees to work in the County through job modification or re-assignment to a position compatible with the worker's medical capacities.
 - 1.6.2.1 If placement within the County is not possible, rehabilitation efforts are to be directed at returning employees to other gainful employment.
- 1.6.3 Determine if injured workers are entitled under provisions of Labor Code Section 139.5 to receive temporary disability or rehabilitation maintenance allowance, the services of a rehabilitation counselor, a program of retraining and placement, and reimbursement for costs directly related to the rehabilitation plan.
- 1.6.4 Represent the County at formal and informal hearings before the State Rehabilitation Unit.

- 1.6.5 Coordinate the above-mentioned activities with other interested or related County programs and agencies.
- 1.6.6 A Notice at 90 days of Aggregate Temporary Disability should be sent to the employee in accordance with Labor Code 4636.
- 1.6.7 Required rehabilitation notices will be sent by Contractor no later than 10 days after the employee has been found a Qualified Injured Worker (QIW) in compliance with the Labor Code.

1.7 Return to Work Program

Contractor will support County departments to ensure aggressive implementation of the County's Return-To-Work Program , including assistance in obtaining Patient Status Reports, RU-90 forms from physicians and the RU-94 from County departments.

1.8 Special Investigation Unit (SIU)

At no cost to the County, the Contractor within 30 days of contract inception shall develop written policies and procedures relating to the identification, investigation and prosecution of potential fraud cases.

- 1.8.1 At no cost to the County, the Contractor will provide SIU training to key personnel within 60 days of contract inception to ensure aggressive, cost effective investigation and appropriate referrals to the Department of Insurance and District Attorney.

1.9 Claims Payments - Accounting Controls

Contractor shall approve claims for payment and shall input same for payment by the County's workers' compensation risk management information system.

1.9.1 Claims Processing

Contractor's responsibilities include but are not limited to the following:

- 1.9.1.1 Establish and maintain control procedures and necessary documentation to process and reject, settle, compromise or approve benefit claims against the County in accordance with Section 31000.8 of the Government Code.

1.9.1.2 Payments shall be input to the County's workers' compensation risk management information system for payment of benefits and other claims file expenses.

1.9.1.3 The Contractor shall interface with the County's Workers' Compensation risk management information system by provision of a local area network, PCs with Windows 2000 or XP, WordViewer, Microsoft Word, and Excel, ethernet connection (or other acceptable connection) and telephone link-up, T-1 lines, or other compatible or better interface (see Technical Exhibit VII), subject to approval by the CCA. The workers' compensation risk management information system must be up-dated daily by the Contractor.

1.9.1.4 The case files and records are subject to audit by the County at any reasonable time (see Standard Terms and Conditions, Part A, Section 6.0 Record Retention and Inspection, and Section 21.0, Reports and Records), of this Agreement.

1.10 Physical Security

The Contractor shall be responsible for safeguarding all County claims and property provided for the Contractor's use or in the Contractor's care, custody and control. At the close of each workday, checks, cases, files, supplies, equipment and computer access shall be secured by the Contractor.

1.11 Data Security

Contractor shall provide a means of and be responsible for restricting access to the files, applications, and computer terminals to only authorized persons.

2.0 SUMMARY OF OTHER RESPONSIBILITIES

2.1 Reporting Requirements and County Administrative Controls

The Contractor shall comply with all County Workers' Compensation Claims Administration Policies and Standards, which will be provided by the County Contract Administrator (CCA) and is responsible for overall coordination and integration of claims services. The Contractor shall take all necessary steps to reduce costs, increase productivity and to enhance the quality and the level of claims administration.

Prior to contract implementation, the Contractor and the CCA shall prepare a list of required reports and records, with time deadlines. The reports required to be provided by the Contractor may include, but are not limited to:

2.1.1 Monthly Reports

2.1.1.1 A report detailing the cases received and action taken in accordance with a format and data elements developed by the County in cooperation with the Contractor.

2.1.1.2 Statistical and narrative reports to assist the County in evaluating its workers' compensation program.

2.1.1.3 A statistical and narrative report on outstanding issues to be addressed at Performance Evaluation Meetings (See Part B, Section II, Paragraph 6.5).

2.1.2 Quarterly Reports

A written status report on selected open cases. Parameters and scope of this report will be established by CCA.

2.1.3 Annual Report

A comprehensive annual statistical summary and narrative report to serve as the basis of the workers' compensation program and to permit preparation of reports required by the State Department of Industrial Relations.

2.1.4 Employee Records

The Contractor shall keep a current and accurate list of all its employees providing services under this contract. The list shall include each employee's name, date of employment, current address, phone number, current salary and any additional data on licensing background, behavior or job performance pertinent to the provision of the contract.

The Contractor shall retain and provide to the County upon request a copy of the Employment Application and/or Employee Resume for all employees assigned to the County Program.

2.1.5 Other Reports

Contractor shall furnish upon County's request loss runs for actuarial or financial purposes. The actuarial reports shall be electronically transmitted to County's designated actuary in the format required by the actuarial firm.

2.2 Case File Record Retention

All medical only case files will be retained for ten years from the date of injury. All indemnity case files which do not involve permanent disability payment and have no payment activity for five years will be retained for ten years from the date of injury. All indemnity case files which involve payment activity within the last five years and cases with permanent disability payments or awards for lifetime medical treatment will be retained indefinitely. No claims will be destroyed without CCA approval and the Contractor will be responsible for storage of all files within the above criteria during the term of this contract. Presently, there are approximately 1,720 boxes of closed files.

2.3 Staffing/Organization

The Contractor shall be responsible for providing sufficient and competent staff to fulfill the contract and shall have complete flexibility for establishing an effective management and organizational structure. Adjustments in staffing based upon fluctuations in caseload shall be subject to approval of CCA. Contractor shall have at least one non-caseload carrying contract manager. Additionally, Contractor shall have at least one non-caseload carrying claims supervisor for every six claims examiners. Contractor shall have at least one (1) claims assistant for every two (2) claims examiners and one (1) clerk for every four (4) claims examiners. In addition to the staffing requirements in the preceding sentence, Contractor shall have at least one non-caseload bearing quality assurance auditor at the level and experience of a claims supervisor. Caseloads for each Contractor claims examiner shall not exceed 175 open indemnity claims.

Claims assistants shall be capable of handling medical only claims and other support duties such as: obtaining medical updates, calculating routine temporary disability payments, identifying cases for assignment to medical case management etc.

Contractor's claims and management staff shall exclusively administer County cases in a dedicated unit. The Contractor must assure provision of services to the County in the event of an employee shortage or strike. Contractor shall be responsible for assuring that staff comply with performance requirements outlined in Part C, Technical Exhibit VIII.

2.4 Medical Cost Containment

The Contractor shall ensure that all statements for medical benefits are reviewed and all amounts authorized for payment have been determined in accordance with the Official Medical Fee Schedule adopted by the Administrative Director of the Division of Workers' Compensation. Contractor shall ensure that duplicate medical payments are not sent for fee review. The Contractor shall utilize Preferred Provider Organizations (PPO), hospital and other medical utilization review services, and managed medical care services as directed by the County. All TPA subcontractors or vendors shall be subject to prior review and approval by the County Contract Administrator (CCA).

Should County wish to add a secondary Preferred Provider Network to enhance services provided by County's current fee review/PPO vendor, Contractor will coordinate the services of the primary and secondary vendors to achieve seamless integration of their services.

2.5 Authority Limits

County Contract Administrator shall establish a schedule of authority limits and referrals, for all personnel approving indemnity, medical or County salary continuation benefits (see Part C, Technical Exhibit XI).

2.6 Certification

The Contractor shall possess a valid "Certificate of Consent to Administer Self-Insured Employers Workers' Compensation Claims." Possession of such certificate shall be required during the entire contracted period of performance. A separate certificate is required for each adjusting location operated by third-party administrator (Labor Code Section 3702.1).

2.7 Settlement, Negotiations

The Contractor shall obtain written approval from a designated representative of the County as required by approval levels established by the CCA, prior to the initiation of negotiations relating to a compromise and release agreement.

2.8 Support Services

The County has relationships with a number of private agencies in business to provide services peripheral to the management of workers' compensation claims: medical bill fee review services, hospital utilization review services, PPO services, managed medical care services, AOE/COE and sub-rosa investigation services, record copying services, rapid delivery services, subpoena services, etc. The Contractor shall use only those agencies or companies approved for use by the County and shall utilize a rotational system for making these assignments, unless otherwise instructed by the CCA.

2.9 Computer Interface

The County has license to use and has installed a computer software system for the workers' compensation claims administration. (For description see workers' compensation risk management information system in Definitions, Section I, Paragraph 13.0 of this Part of the Agreement). The Contractor shall interface with this system by provision of a local area network, having (minimally) Pentium 4 2.0 GHz PCs with 256 megabytes of RAM, with Windows 2000 or XP operating system, and ethernet connection (or other acceptable connection) and telephone link-up, T-1 lines or other compatible or better electronic interface having sufficient capacity to achieve optimal processing in the Windows environment. The equipment list to connect to workers' compensation risk management information system is provided in Part C, Technical Exhibit VII of this Agreement.

The Contractor shall maintain the capacity to send and receive e-mail for each claims examiner assigned to County cases. Contractor shall comply with CCA specified e-mail protocol dealing with content and confidentiality when using e-mail for County cases.

2.10 Computer Data Maintenance

Contractor shall, on a daily basis, accurately input, update and maintain all data fields on the County's workers' compensation risk management information system for all cases administered by Contractor.

3.0 COUNTY FURNISHED ITEMS

- 3.1 County shall arrange for the release of all case files for pick-up by the Contractor prior to the start date of the contract as described below in Section 3.2 of this Part of the Agreement.

3.2 Orientation/Transition

County will provide orientation to the County's workers' compensation risk management information system for key Contractor personnel prior to the start date of the contract. Contractor shall not be reimbursed for any expenses during orientation or training.

3.3 Changes in Reporting Requirements/Approvals

The County reserves the right to final review and approval of the format on all reports, to request additional reports and/or request changes to existing reports, during the term of this Agreement.

4.0 CONTRACTOR FURNISHED ITEMS

4.1 General

The Contractor shall furnish all personnel, work space and work stations, furniture, transportation, supplies, equipment, materials and other items necessary to perform all services required by this Statement of Work, except those listed in Section 3.0 or those listed in Technical Exhibit VII related to the workers' compensation risk management information system. Generally, the categories for such services are:

4.1.1 Personnel and Performance Standards

The Contractor shall provide all personnel necessary to comply with the representations made in Contractor's proposal and addenda thereto as required for services hereunder including but not limited to Quality of Work Performance Requirements Summary as outlined in Part C, Technical Exhibit VIII.

4.1.2 Equipment

The Contractor shall provide any equipment necessary to meet the contract requirements.

4.1.3 Files, Records and Reports

The Contractor shall maintain and provide accurate and complete financial and other records and files of workers' compensation claims as well as reports of its activities and operation as required under this Agreement.

4.1.4 Local Office, Expenses

The Contractor shall maintain an office in the County of Los Angeles or in an adjacent County or within a 75 mile radius of the Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012, for the administration of County claims. The Contractor shall have a toll free "800" telephone number. The Contractor shall pay out of its own resources, all costs and charges in connection with its work or services offices, office furnishing and supplies, except as otherwise provided in this Agreement.

4.1.5 Courier Service, Vehicles

The Contractor shall provide a daily courier service between the Contractor's office and such County offices as are designated in writing by the CCA. A schedule shall be established for the pick-up and delivery of all claim files, claims mail and related items. The Contractor shall pay the costs of such services out of its own resources, including any and all expenses involved in transferring case files to the Contractor at the beginning of the contract.

4.1.6 Orientation/Transition

The Contractor shall provide sufficient management support and staffing to effect an orderly transition.

In the event of expiration or prior termination of the Agreement, Contractor shall cooperate with the County to provide for the transition to whatever service replacement method County determines to be in its best interest.

4.1.7 Work Space for County Staff

Contractor shall provide safe, adequate and ergonomically sound work space, complete ergonomically correct work station including workers' compensation risk management information system computer access and e-mail, telephone and facsimile service, and free parking for two full-time County monitors and adequate temporary work space and work station and free parking for other County staff as necessary for required program auditing or monitoring.

4.1.8 Work Space for Fee Review and Case Management Vendors

Contractor shall provide adequate, onsite workspace for case management and fee review personnel if deemed necessary and appropriate by the CCA.

4.1.9 Contractor – Provided Forms

Contractor shall provide all state-required forms (e.g., DWC1, 5020) to client departments.

4.1.10 Claims Administration Procedure Manual

Within six months of contract award, Contractor will provide a "Claim Administration Procedure Manual" describing policies and procedures for the administration of County cases detailing approval limits, responsibilities, reporting requirements, review of legal services billing, etc. Such Manual shall be provided to and utilized by Contractor claims staff handling County claims and to the County Contract Administrator.

4.1.11 Computer Interface

The Contractor shall interface with the County's workers compensation risk management information system by provision of a local area network, having (minimally) Pentium 4, 2.0 GHz PCs with 256 megabytes of Ram, with Windows 2000 or XP operating system, and ethernet connection (or other acceptable connection) and telephone link-up, T-1 lines or other compatible or better electronic interface having sufficient capacity to achieve optimal processing in the Windows environment. The equipment list to connect to worker's compensation risk management information system is provided in Part C, Technical Exhibit VII of this Contract.

Should County deem Contractor's computer interface to be insufficient to achieve optimal processing of County claims, Contractor shall upgrade the deficient equipment or electronic interface capabilities to the satisfaction of the County at Contractor's sole expense.

Should County change its workers' compensation risk management information system during the term of this contract, Contractor shall convert to the County's new system, at a time of County's choosing, at Contractor's sole expense.

4.1.12 Contractor Preferred Provider Network

Should County wish to add a secondary Preferred Provider Network to enhance the services provided by County's current fee review/PPO vendor, and Contractor has a Preferred Provider Network, Contractor will provide these services at the same price as County's primary vendor and will coordinate the services of the primary and secondary vendors to achieve seamless integration of their services.

5.0 PERSONNEL

5.1 Key County Personnel - County Contract Administrator (CCA)

- 5.1.1 The County shall inform the Contractor of the name, address and telephone number of the County Contract Administrator in writing at the time the contract is awarded.
- 5.1.2 The CCA or designee shall be responsible for and have full authority to oversee and monitor the Contractor's performance in the daily operation of the contract.
- 5.1.3 The CCA or designee shall provide direction to the Contractor in areas relating to policy and procedural requirements, and on other matters.
- 5.1.4 The Contractor shall immediately remove, at the CCA's request, any Contractor or Contractor subcontractor employee or agent providing services for the County under this Agreement.
- 5.1.5 In the event of a dispute regarding substantive questions, the CCA's interpretation shall prevail including without limitation, interpretation of Federal, State and local laws, civil procedures, legal process, court rules and administrative regulations.
- 5.1.6 The CCA or designee shall not be authorized to make any changes in the terms and conditions to the contract or obligate the County in any way whatsoever.

5.2 Key Contractor Personnel - Contractor Contract Manager

- 5.2.1 The Contract Manager or designee shall have a minimum of three years experience in supervising or managing third-party workers' compensation claims administration services for California workers' compensation claims.

- 5.2.2 The Contractor shall provide upon award of contract, the name, address and telephone number of the Contract Manager or designee who shall be responsible for administering the contract.
- 5.2.3 The County shall have sole discretion to approve Contract Manager and any replacement recommended by Contractor.
- 5.2.4 The Contractor's Contract Manager or designee approved by the County shall be responsible for the daily administration and supervision of program operations and have full authority to act for the Contractor on all contract matters relating to daily operations. Contract Manager will not be assigned any workers' compensation claims.
- 5.2.5 The Contractor's Contract Manager shall be exclusively assigned to the County's account.
- 5.2.6 The Contract Manager or designee shall be able to read, write, speak and understand English.
- 5.2.7 The Contract Manager or designee shall be available between 8:00 A.M. and 5:00 P.M., Monday through Friday except County holidays.

5.3 Contractor Personnel - Workers' Compensation Claims Supervisors

- 5.3.1 Claims Supervisors shall have a minimum of five years experience in adjusting a caseload of California workers' compensation indemnity claims. Equivalent or substitute experience may be approved by the CCA. Supervisors will not be assigned any workers' compensation claims.
- 5.3.2 Claims Supervisors employed by the Contractor shall be able to read, write, speak and understand English.

5.4 Contractor Personnel - Workers' Compensation Claims Examiners

- 5.4.1 At least 75% of the claims examiners shall have a minimum of three years experience in the adjustment of California workers' compensation indemnity claims. Equivalent or substitute experience may be approved by the CCA.

5.4.2 Up to 25% of the claims examiners may be examiner trainees. Examiner trainees must receive ongoing training and close supervision. The experience requirements to enter the examiner training program and the training program, itself, are subject to approval of the CCA. Guidelines for candidate selection into an examiner training program are:

5.4.2.1 Two or more years as a Claims Assistant; or

5.4.2.2 One year as a Claims Assistant with a Certificate from the Insurance Education Association (IEA) or Self-Insurance Administrator Certificate from the Division of Workers Compensation; or

5.4.2.3 One year experience as a Claims Assistant specifically on the County account.

5.4.3 Claims Examiners employed by the Contractor shall be able to read, write, speak and understand English.

6.0 CONTRACTOR PERFORMANCE

6.1 Contractor Quality Control Plan

The Contractor shall establish and maintain a Quality Control Plan to assure that the requirements of the Contract are met and sound financial accounting records and procedures are maintained. The plan shall include, but not be limited to, the following:

6.1.1 The methods for assuring and verifying that the minimum requirements for Claims Examiners are met, including a formal training program for Claims Examiner Trainees.

6.1.2 A system for monitoring compliance with financial accounting standards and all the services listed in this Section. It must specify the activities to be inspected/audited on either a scheduled or unscheduled basis, how often inspections/audits will be accomplished, and the title of the individual(s) who will perform the inspections/audits.

6.1.3 The methods for identifying and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable.

6.2 County Quality Assurance Monitoring Plan (QAMP)

The monitoring of the Contractor's compliance to the requirements outlined in the Agreement shall be performed through the use of both the County staff and an independent, outside auditor.

At the sole discretion of the County, a variety of methods may be used to evaluate the Contractor's performance, including but not limited to :

- 6.2.1 Monthly one-hundred percent inspection of logs, reports and other information.
- 6.2.2 A comprehensive and complete audit conducted annually beginning the second year of this Agreement.
- 6.2.3 Inspecting the appropriate employment documentation to verify that Claims Examiners meet the minimum qualifications and experience.
- 6.2.4 Complaints received by County Risk Management Branch.
- 6.2.5 Monitoring the timeliness of responses from the Contractor against the time a request for work or service is made by the County.
- 6.2.6 Staff/user complaints.
- 6.2.7 Sampling of claims, records, reports, and logs.
- 6.2.8 Other methods deemed by the County to be appropriate for the evaluation of the Contractor's work or financial performance.

The County shall monitor the Contractor's performance under this Contract. The County's procedure may include but not necessarily be limited to those specified in Part C, Technical Exhibit VIII, Quality of Work Performance Requirements Summary. All monitoring observations shall be recorded. Significant deviation from performance standards as indicated in Part C, Technical Exhibit VIII, may result in Agreement termination.

6.3 Acceptable/Unacceptable Performance

If performance standards or financial discrepancies are noted by County or its authorized auditor, a Contract Discrepancy Report shall be issued to the Contractor.

6.4 Contract Discrepancy: Actions To Be Taken

If discrepancies from performance or financial standards are noted by the County, a Contract Discrepancy Report shall be issued to the Contractor.

6.4.1 Contractor Response

Upon receipt of a Contract Discrepancy Report, the Contractor shall respond in writing to the CCA within five working days acknowledging the reported discrepancy/discrepancies or presenting contrary evidence and a program for immediate correction of all failures in performance that have been identified.

6.4.2 County Response

At the discretion of the County, the CCA shall evaluate the Contractor's explanation and determine what further action, if any, should be taken. Continued failure on the part of the Contractor to perform at an acceptable level shall constitute grounds for contract termination and suspension of further payments by the County as defined in the Quality of Work Performance Requirements Summary, Part C, Technical Exhibit VIII.

6.5. Performance Evaluation Meetings

The Contractor's Contract Manager of Workers' Compensation Claims Administration shall meet with the CCA or his/her designee at regularly scheduled intervals, as determined by the CCA, during the term of the contract. The purpose of such meetings shall be dissemination of information from the County to the Contractor, and the discussion of policy and procedural matters relevant to the Contractor's performance and the County Risk Management's monitoring function, including a discussion of the monthly report on all outstanding issues.

PART B

SECTION III - CONTRACTOR PAYMENT AND ADJUSTMENTS TO PAYMENT

1.0 PAYMENT AND ADJUSTMENTS TO PAYMENTS

1.1 Payment

1.1.1 Base Monthly

The County shall pay the Contractor on a fee basis as set forth in the Payment Schedule. Payment for assumption and administration of all tail claims is included in this fee. The County will not make and Contractor is not entitled to any additional payment for the assumption or administration of any tail claim.

1.1.2 Monthly Invoice and Adjustment to Monthly Invoices

The Contractor shall invoice the County monthly in arrears for fees due for the billing period. The invoices shall clearly reflect and provide reasonable detail as determined by the County of the services provided.

The County will adjust the invoice as follows and pay the invoice within 60 days of receipt:

1.1.2.1 The County may reduce the monthly invoice for assessments of adjustments to payments pursuant to paragraphs 1.2.2, 1.2.3, 1.2.4 and 1.2.5 of this Section.

1.1.2.1 The County shall increase or reduce the monthly invoice pursuant to the provisions of Paragraphs 2.1, 2.2, and 2.3 of this Section.

1.1.2.2 The County may increase or reduce the monthly invoice pursuant to Paragraphs 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, and 2.12 of this Section provided the County has notified the Contractor of its intention to increase or reduce pursuant to these Paragraphs at any time prior to receipt of the monthly invoice.

1.1.3 The total fees paid will be reduced for overpayments, fines, penalties and other costs incurred due to the Contractor's failure to comply with any term or condition of this Agreement as further set forth in Paragraph 1.2, Adjustments to Payments to Contractor.

1.1.4 The total fees paid will be reduced or increased pursuant to Paragraphs 2.1 through 2.12 of this Section.

1.1.5 The County's payment is subject to adjustment following audit as set forth in Paragraph 3.0.

1.2 Adjustments to Payments to Contractor

The Contractor shall reimburse the County for any overpayment, fine, penalty or other cost incurred due to the Contractor's failure to comply with any term or condition of this Agreement.

1.2.1 Such failure includes, but is not limited to, the following:

1.2.1.1 Late payment or nonpayment of any benefit to any applicant or medical provider resulting in penalty or attorney fees.

1.2.1.2 Overpayment of any benefit owed to any applicant, any lien claimant, or other party in a case due to Contractor's failure to comply with the performance standard set forth in Part B, Section II, Paragraph 1.0.

1.2.1.3 Excessive payment of any benefit to any applicant, lien claimant, or other party in a case due to Contractor's failure to comply with the performance standard set forth in Part B, Section II, Paragraph 1.0.

1.2.1.4 Fines assessed against the Contractor or the County due to the Contractor's failure to comply with the performance standard set forth in Part B, Section II, Paragraph 1.0.

No reimbursement by the Contractor is required under this section if Contractor's act(s) and/or omission(s) occurred during the first four (4) months of the contract term or were expressly approved or directed by an authorized County representative.

1.2.2 Notice of Assessment of Adjustments to Payments

The County shall give notice to the Contractor of any assessment of adjustments to payments pursuant to this Paragraph 1.2. The Contractor

shall have 60 calendar days to respond in writing to the notice. If the Contractor does not respond to the notice within sixty days, the Contractor shall lose its right to dispute the assessment and the amount of the assessment may be deducted from Contractor's monthly invoices. The response may include the following:

1.2.2.1 Evidence that an overpayment or excessive cost was not made.

1.2.2.2 Evidence that the Contractor complied with the standards of care set forth in Paragraph 1.0 of Part B, Section II.

1.2.2.3 Evidence that Contractor obtained prior approval from an authorized County official.

1.2.3 Second Level Dispute Resolution Process

If, after receipt of Contractor's response to County's notice of assessment of adjustment to payments, the parties are in disagreement, a second-level dispute resolution process will be conducted. The County's Contract Manager and an appropriate Contractor designee shall review the evidence and resolve the dispute. The second level dispute resolution process shall be completed within 60 calendar days.

1.2.4 Third Level Dispute Resolution Process

If the dispute cannot be resolved by the second level dispute resolution process or if the second level dispute resolution process lasts longer than 60 days, the parties shall submit the matter to binding mediation according to the following procedure:

1.2.4.1 The mediator shall be selected by rotation of a panel of mediators selected by the parties pursuant to the panel selection process set forth in Technical Exhibit XXIV.

1.2.4.2 The mediation process shall be informal, and neither party may be represented by an attorney. The mediation is limited to the issues presented by the County's notice of assessment and the Contractor's response.

1.2.4.3 The parties must cooperate and provide documents and witnesses reasonably requested by the other party or ordered by the mediator

1.2.4.4 The mediator shall prepare a written decision within 20 days of the conclusion of the mediation and shall send a copy of the decision to both parties.

1.2.4.5 To the extent the mediator's decision upholds the County's assessment such assessment may be deducted from the Contractor's monthly invoices.

1.2.4.6 Either party may appeal the mediator's decision provided the total amount in dispute exceeds \$50,000.00 by written notice of appeal and request for mandatory binding arbitration.

1.2.5 Mandatory Dispute Arbitration

If either party appeals a decision of the mediator, the parties shall submit the dispute to binding arbitration, in accordance with California Code of Civil Procedure sections 1280 through 1294.2. Either the Contractor or the County may enforce the award of the arbitrator under section 1285 of the Code. The Contractor and the County understand that they are waiving their rights to a jury trial.

1.2.5.1 The Contractor and the County shall select a mutually acceptable arbitrator. If for any reason the Contractor and the County cannot agree on a mutually acceptable arbitrator, either the Contractor or the County may apply to the Superior Court for the designation of five possible arbitrators meeting the qualifications of Paragraph 1.2.5.2. The Contractor and the County may then each strike two names from the list within the next five days. The court shall then appoint as arbitrator a person whose name has not been struck from the list.

1.2.5.2 The arbitrators selected by the Superior Court under paragraph 1.2.5.1 shall have at least 10 years experience in workers' compensation claims administration. By mutual agreement of the CAO and the Contractor, the 10 year experience requirement may be waived.

2.0 PERFORMANCE INCENTIVES

- 2.1 At sole discretion of the County, mutually beneficial performance and financial incentives shall be paid for each new claim opened during the payment period according to the following schedule:

<u>Performance Index (%)</u>	<u>Incentive Payment (%)</u>
less than 80%	Base Fee minus 5%
80% - 84%	Revenue neutral
85% - 89%	Base Fee plus 2.5%
90% - 94%	Base Fee plus 5%
95% or over	Base Fee plus 7.5%

- 2.2 The performance index shall be determined by random-sample audits commencing no later than the end of the second contract year and conducted at least annually thereafter by County Quality Assurance Evaluators for compliance with standards set forth in the Quality of Work Performance Requirement Summary described in Part C, Technical Exhibit VIII. The CCA may update the areas to be audited and the factors to be considered in determining the performance index.

- 2.3 Incentive payments shall be paid as appropriate based on the results of the most current County audit for work performed in the prior contract.

- 2.4 Fee Reduction for Failure to Meet Staffing Levels

If Contractor staffing levels do not meet the requirements of Part B, Section II, Paragraph 2.3, County shall reduce Contractor's monthly invoice by \$7,000 for each aggregate thirty calendar days a position is vacant.

- 2.5 Fee Reduction for Failure to Develop and Implement Procedure Manual

If the claims administration procedure manual required in Part B Section II, Paragraph 3.4 and the Quality Control Plan required in Part B, Section II, Paragraph 6.1, are not developed and actively implemented and integrated into the County claims unit within 180 days of contract inception date, payments shall be reduced to Base Fee less 5% until these requirements are met.

2.6 Fee Reduction for Failure to Timely Forward Litigation File

For every litigation file received by County Counsel more than 45 days after receipt of the WCAB application as specified in Part B, Section II, Paragraph 1.5.1.1, County shall reduce Contractor's current monthly invoice by \$1,000. This reduction shall be in addition to any adjustment under Paragraph 1.2.

No reduction in Contractor's fees is required under this section during the first four (4) months of the contract term.

2.7 Fee Reduction for Failure to Timely Complete 45 Day Checklist

For every indemnity claim where the checklist specified in Part B, Section II Paragraph 1.2.1.1 is not submitted to the QAE and the County Department within 45 days from the date of employer's knowledge of injury, County shall reduce Contractor's monthly invoice by \$500.00. This fee reduction shall not apply to indemnity claims where the date of employer's knowledge of the injury is more than 30 days prior to the date of Contractor's knowledge of the injury.

No reduction in Contractor's fees is required under this section during the first four (4) months of the contract term.

2.8 Fee Reduction for Failure to Make a Liability Decision within 90 days or less as required by law of Date of Employer's Knowledge of Injury.

For every indemnity claim where there is evidence that a claimed injury is not work-related and Contractor fails to deny the claim within 90 days or less as required by law of date of employer's knowledge of injury pursuant to Part B, Section II, Paragraph 1.2.2.2, County shall reduce Contractor's monthly invoice by \$1000.00. This fee reduction shall not apply to indemnity claims where the date of employer's knowledge of the injury is more than 30 days prior to the date of Contractor's knowledge of the injury.

No reduction in Contractor's fees is required under this section during the first four (4) months of the contract term.

2.9 Fee Reduction for Withdrawal of Los Angeles County Superior Court (Superior Court) from this account.

If the Superior Court withdraws from this account, the County and the Contractor agree that the annual fee shall be reduced \$1,000 for each open indemnity Superior Court claim withdrawn from the account. The reduction in annual fee shall become effective upon termination of Contractor's obligation to administer the Superior Court claims, and shall be in effect for the remainder of the Contract.

2.10 The reduction in Paragraphs 2.4 through 2.9, inclusive, are separate and distinct from any reduction or increase provided for in Paragraphs 2.1 through 2.3, inclusive. The provisions of Paragraphs 2.4 through 2.9, inclusive, are in effect through out the term of this Agreement and are separate and distinct from the performance standards and performance index of Paragraphs 2.1 through 2.3, inclusive. All Contractor discrepancies and failure under Paragraphs 2.1 through 2.8, inclusive, will be processed pursuant to Paragraphs 6.3 and 6.4 of Section II.

2.11 Fee Increase for Subrogation Recoveries

For every claim initially identified by Contractor for subrogation recovery, and recovered within the contract period, Contractor shall receive five percent of the County net recovery.

2.12 Fee Increase for Facilitation of Early Return to Work

The CCA, or designee, may award a bonus where, in the opinion of the CCA, the Contractor provide exceptional effort in the Return to Work process and that effort leads to an offer of modified work. In no event shall this bonus exceed \$250.00.

2.13 Fee Increase for Fraud Identification

For every referral of a potentially fraudulent claim to the County's Special Investigative Unit that ultimately results in an arrest, County will pay Contractor \$1,000.00. The referral must contain a description of the material misrepresentation by the alleged fraudulent party.

3.0 ADJUSTMENT TO PAYMENTS FOLLOWING AUDIT

If, at any time during the term of this Agreement or five years after the expiration or termination of this Agreement, authorized representatives of the County conduct an audit of the Contractor regarding the services provided to the County hereunder and if as a result of such audit it is determined that the County's dollar liability for such services is less than payments made by the County to the Contractor, then the Contractor agrees that the difference, at the CCA's option, shall be either: (1) repaid forthwith by the Contractor to the County by cash payment, or (2) credited against any future payments hereunder to the Contractor.

If as a result of such audit it is determined that the County's dollar liability for services provided hereunder is more than payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County provided that in no event shall the County's maximum obligation exceed the amount appropriated by the Board of Supervisors.

PART B
STATEMENT OF WORK
SECTION IV - PAYMENT SCHEDULE

175 ANNUAL CLAIM CASELOAD

INTERCARE INSURANCE SERVICES

County shall pay Contractor the following annual fee:

	<u>ANNUAL</u>	<u>MONTHLY</u>
YEAR 1	\$6,760,700	\$563,391.67
YEAR 2 ^{ABC}	[(CPI-W)(\$6,760,700)] + \$6,760,700	(YEAR 2)/12
YEAR 3 ^{ABC}	[(CPI-W)(YEAR 2)] + (YEAR 2)	(YEAR 3)/12
YEAR 4 ^{ABC}	[(CPI-W)(YEAR 3)] + (YEAR 3)	(YEAR 4)/12
YEAR 5 ^{ABC}	[(CPI-W)(YEAR 4)] + (YEAR 4)	(YEAR 5)/12

^A. Denotes a cost of living increase tied to the Consumer Price Index is adjusted by increasing said annual fee by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Los Angeles, Riverside, and Orange County area during the preceding calendar year or the increase equal to the general salary movement for County employees for the same period.

^B. The number of new indemnity claims submitted for the 12 months from April 1, 2002 through March 31, 2002 for Unit B was 2024 (Technical Exhibit IV-A). For any calendar year where the number of new indemnity claims, administered by workers' compensation claims examiners, exceeds 2024 by 175, the County shall pay the Contractor an additional \$65,000 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 2024 by 350 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay Contractor an additional \$130,000 within 60 days of the end of the calendar year. If the total number of new indemnity claims exceeds 2024 by 525 new indemnity claims, administered by workers' compensation claims examiners, the County shall pay the Contractor an additional \$195,000 within 60 days of the end of the calendar year, and etc.

^C. For any quarter where the Contractor's open indemnity caseload is equal to or less than 6,200, the monthly base fee shall be reduced by \$5,416. For any quarter where the Contractor's open indemnity caseload is equal to or less than 6,025, the monthly base fee shall be reduced by \$10,842. For any quarter where the Contractor's open indemnity caseload is equal to or less than 5,850, the monthly base fee shall be reduced by \$16,248, and etc.

10/15/03

g/TPARFP/STATEMENT OF WORK - INTERCARE .v1

PART C – TECHNICAL EXHIBITS

Technical Exhibit

I	CAO, Risk Management Branch Description
II	Other County Departments
III	Open Claims By Department
IV-A	New Claims by Year and Month – Unit B
IV-B	New Claims By Year and Month – Court Only – Unit B
V	Workload Statistics – Historical and Annual Self-Insurance Plans Reports
VI	Claims Administration Checklist
VII	Equipment List to Connect to GENCOMP
VIII	Quality of Work Performance Requirements Summary
IX	Performance Requirements Summary
X	Contract Discrepancy Report
XI	Workers' Compensation Manual
XII	Payment Provisions
XIII	Anatomy of a Payment
XIV	Examples of Overpayments and Excess Costs
XV	Sample Balance Sheet
XVI	Los Angeles County Code 5.31.050
XVII	Doing Business With Small Business
XVIII	Local Small Business Enterprise Preference Program
XIX	Jury Service Ordinance
XX	Determination of Contractor Non-Responsibility and Contractor Debarment Ordinance
XXI	Listing of Contractors Debarred in Los Angeles County
XXII	IRS Notice 1015
XXIII	Safely Surrendered Baby Law
XXIV	Dispute Mediation Panel

CHIEF ADMINISTRATIVE OFFICE

RISK MANAGEMENT BRANCH

All of the programs below contribute to the following objectives: to place employees in jobs in which they can perform safely and effectively; to reduce the loss of time due to illness or injury; to reduce the number of retirements which are a result of disability; to meet legal mandates related to health, safety and insurance; and, to accomplish the above at the least possible cost.

WORKERS' COMPENSATION CLAIMS PROGRAM

The primary objective of the program is to provide all workers' compensation benefits required under State law to injured County employees on a timely basis, and at the least possible cost to the County. These benefits include medical care, temporary disability compensation, permanent disability compensation, vocational rehabilitation and death benefits.

Major activities include: determining the County's workers' compensation liability for approximately 12,000 alleged job-related injuries and illnesses each year; providing statutory workers' compensation benefits which totaled approximately \$260,806,287 in FY 2001/2002, for all injury claims determined to be work related; investigating all disability; monitoring medical care of injured employees to ensure that necessary and appropriate treatment is offered and arranged; coordinating the preparation of all litigated cases with the County Counsel; referring appropriate claims to departmental return-to-work coordinators and rehabilitation staff; and, identifying possible safety problems and providing this information to appropriate staff. As of 4/1/03, Crawford & Company handles approximately 25% of the workload.

EARLY RETURN TO WORK PROGRAM

The Early Return to Work Program was established to conserve human resources by returning ill or injured employees to work as soon as possible during the recovery period. The Program's activities are carried out by departmental return-to-work coordinators, with technical assistance and policy guidance of the return-to-work/rehabilitation staff of the Chief Administrative Office. Successful return-to-work program efforts increase employee productivity through reduction and control of lost time, the costs of rehabilitation benefits, long-term disability payments and disability retirement benefits.

LONG TERM DISABILITY AND SURVIVOR PLAN

The Long-Term Disability Plan provides income benefits to employees who are expected to be disabled from the job for six months or more. The Plan also provides survivor benefits to the spouse or eligible children of any deceased employee who would otherwise have qualified for disability benefits. The staff of the Long-Term Disability third party administrator receives, evaluates and determines eligibility of disability and survivor claimants. The plan covers approximately 77,060 Active General Members of Retirement Plans A - E.

MEGA-FLEX SHORT TERM DISABILITY

The Short Term Disability (STD) Plan covers approximately 8,000 employees who are enrolled in the County's Mega-Flex benefit program. The STD Plan provides disability benefits for periods of disability of less than six months for either work-related or non-work-related illness or injury. The STD benefits are coordinated with workers' compensation temporary disability benefits.

OTHER COUNTY DEPARTMENTS PROVIDING WORKERS'
COMPENSATION PROGRAM SERVICES

COUNTY COUNSEL: Workers' Compensation Division

The Workers' Compensation Division represents the County of Los Angeles in the defense of workers' compensation claims that are filed against the County before the Workers' Compensation Appeals Board, and the State and Appellate Courts. This division provides advice and counsel to the Risk Management Branch of the Chief Administrative Office and also designates private law firms to provide legal counsel.

COUNTY AUDITOR-CONTROLLER: Disbursement Division

The Risk Management Branch and the TPAs authorize the payments to be made on workers' compensation claims. The General Claims Section of the Disbursements Division of the Auditor-Controller receives the authorizations and issues the warrants. The Workers' Compensation and Disability Benefit Fiscal Unit of the Chief Administrative Office provides fiscal, clerical and data processing support services relating to all payment activity.

INTERNAL SERVICES DEPARTMENT

The Internal Services Department provides Risk Management Branch staff with technical advice relating to computer operations. Staff within the Risk Management Branch is responsible for the day-to-day management of the IBM RISC System/6000 Computer operations and also provide technical advice.

Technical Exhibit III

OPEN CLAIMS BY DEPARTMENT UNIT B (5/28/03)		
	Indemnity Claims	Medical Only Claims
Museum of Art	16	3
Affirmative Action Compliance	1	1
Auditor-Controller	28	5
Beaches	30	4
Chief Administrative Officer	31	3
Board of Supervisors	23	3
Department of Human Resources	20	2
Office of Public Safety	260	16
Internal Services Department	492	27
Coroner	53	13
County Counsel	36	2
District Attorney	369	10
Child Support Services	264	15
Fire Department	3,334	295
Museum of Natural History	10	2
Public Library	110	12
Parks and Recreation	333	35
Public Defender's Office	105	1
Alternate Public Defender	4	0
Office of Ombudsman	2	0
Subtotal without the Courts	5,521	449
Superior Court Officers	782	23
Superior Court Reporters	105	2
Superior Court Jurors	69	0
TOTAL	6,477	474

5/30/03
G/RFPTPA/Open Claims Unit B

Technical Exhibit IV-A

NEW CLAIMS BY YEAR AND MONTH -- UNIT B			
Month and Year	Indemnity	Medical Only	TOTAL
March, 1998	114	45	159
April, 1998	148	59	207
May, 1998	118	35	153
June, 1998	150	51	201
July, 1998	161	29	190
August, 1998	118	39	157
September, 1998	139	37	176
October, 1998	106	51	157
November, 1998	95	62	157
December, 1998	122	64	186
January, 1999	95	69	164
February, 1999	131	72	203
March, 1999	142	64	206
April, 1999	144	75	219
May, 1999	124	64	188
June, 1999	130	66	196
July, 1999	152	59	211
August, 1999	141	59	200
September, 1999	122	73	195
October, 1999	103	79	182
November, 1999	101	75	176
December, 1999	94	66	160

	Indemnity	Medical Only	TOTAL
January, 2000	144	83	227
February, 2000	105	88	193
March, 2000	118	92	210
April, 2000	100	51	151
May, 2000	192	67	259
June, 2000	183	67	250
July, 2000	184	80	264
August, 2000	226	75	301
September, 2000	198	55	253
October, 2000	202	45	247
November, 2000	141	41	182
December, 2000	141	36	177
January, 2001	192	48	240
February, 2001	140	43	183
March, 2001	199	64	263
April, 2001	165	55	220
May, 2001	191	63	254
June, 2001	200	43	243
July, 2001	211	81	292

	Indemnity	Medical Only	TOTAL
August, 2001	181	89	270
September, 2001	142	65	207
October, 2001	180	64	244
November, 2001	144	53	197
December, 2001	122	49	171
January, 2002	178	58	236
February, 2002	163	65	228
March, 2002	171	67	238
April, 2002	156	58	214
May, 2002	216	55	271
June, 2002	183	71	254
July, 2002	218	81	299
August, 2002	183	55	238
September, 2002	192	73	265
October, 2002	177	55	232
November, 2002	132	35	167
December, 2002	128	45	173
January, 2003	194	63	257
February, 2003	147	47	194
March, 2003	98	40	138

7/1/03
G/TPARFP/Tech Exhibit IV-A

Technical Exhibit IV-B

NEW CLAIMS BY YEAR AND MONTH – COURTS ONLY – UNIT B			
Month and Year	Indemnity	Medical Only	TOTAL
March, 1998	28	5	33
April, 1998	22	7	29
May, 1998	24	4	28
June, 1998	17	12	29
July, 1998	19	7	26
August, 1998	16	7	23
September, 998	30	9	39
October, 1998	18	8	26
November, 1998	8	5	13
December, 1998	10	7	17
January, 1999	17	17	34
February, 1999	18	7	25
March, 1999	18	7	25
April, 1999	7	7	14
May, 1999	8	10	18
June, 1999	17	3	20
July, 1999	14	7	21
August, 1999	19	4	23
September, 1999	11	8	19
October, 1999	12	5	17
November, 1999	19	8	27
December, 1999	14	15	29

	Indemnity	Medical Only	TOTAL
January, 2000	23	5	28
February, 2000	11	3	14
March, 2000	23	8	31
April, 2000	21	11	32
May, 2000	18	5	23
June, 2000	14	14	28
July, 2000	13	7	20
August, 2000	15	9	24
September, 2000	23	5	28
October, 2000	16	5	21
November, 2000	18	2	20
December, 2000	11	2	13
January, 2001	21	11	32
February, 2001	19	4	23
March, 2001	28	5	33
April, 2001	22	11	33
May, 2001	14	4	18
June, 2001	28	6	34
July, 2001	21	5	26

	Indemnity	Medical Only	TOTAL
August, 2001	16	8	24
September, 2001	12	6	18
October, 2001	24	5	29
November, 2001	18	5	23
December, 2001	17	2	19
January, 2002	22	2	24
February, 2002	17	6	23
March, 2002	23	9	32
April, 2002	24	3	27
May, 2002	28	9	37
June, 2002	18	8	26
July, 2002	20	4	24
August, 2002	22	2	24
September, 2002	21	1	22
October, 2002	33	1	34
November, 2002	12	1	13
December, 2002	12	3	15
January, 2003	33	1	34
February, 2003	27	2	29
March, 2003	6	2	8

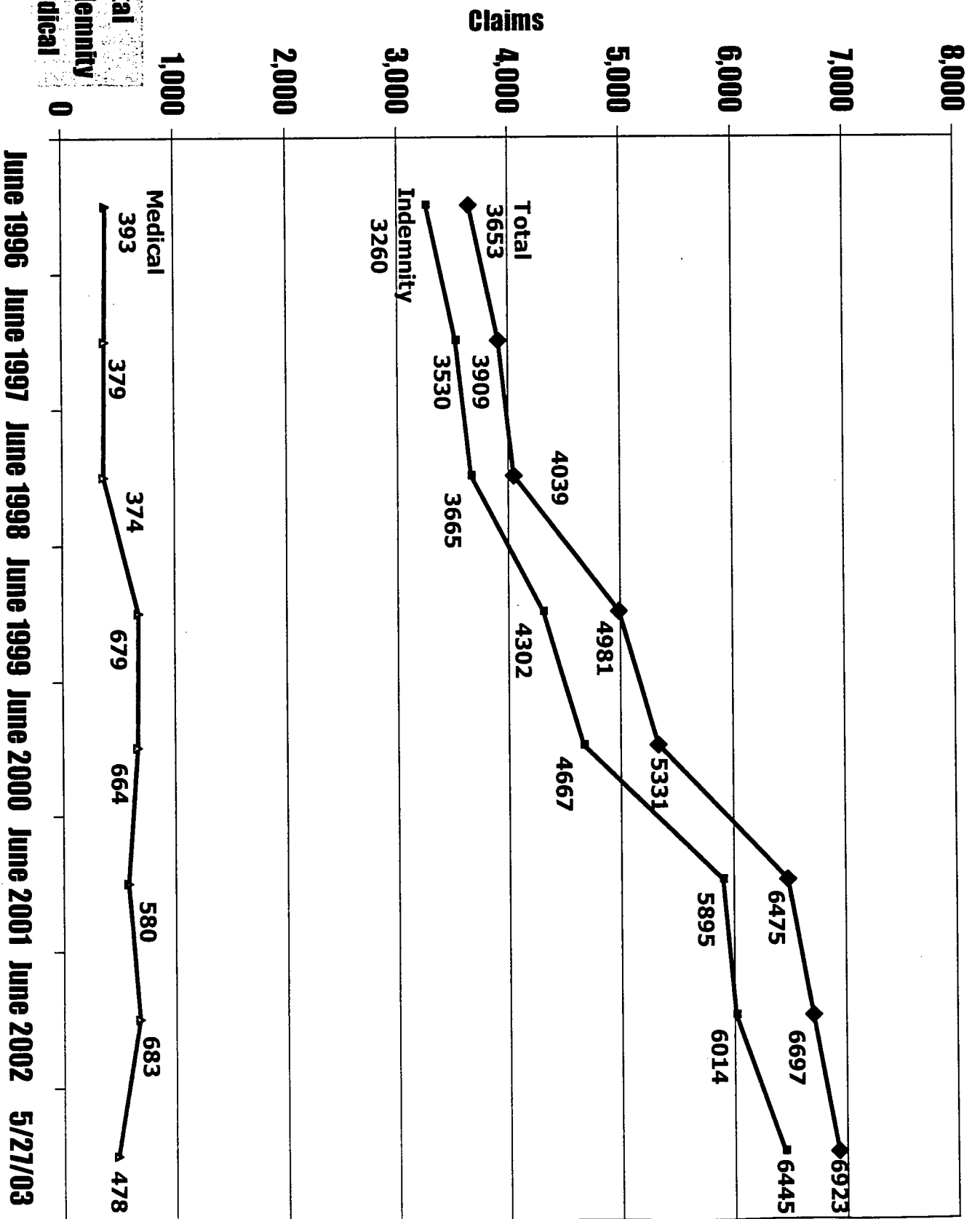
6/9/03

G/TPARFP/Tech Exhibit – New claims by year and month COURTS ONLY

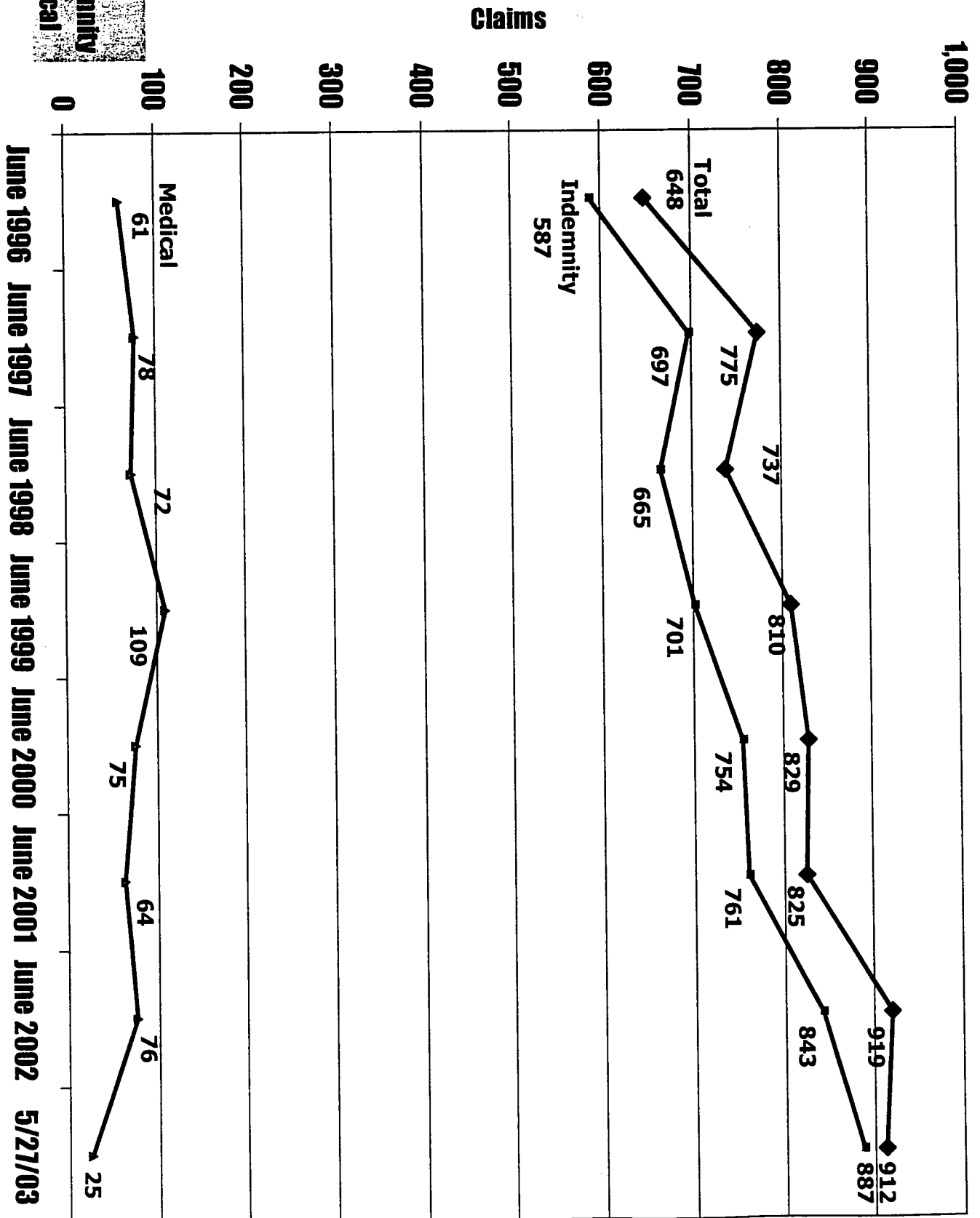
Workload Statistics

Historical and Annual Self-Insurance Plans Reports for Fiscal Years 2000-01 and 2001-02

Unit B Open Claims at the End of Fiscal Years 1996 to Present



Courts Open Claims at the End of Fiscal Years 1996 to Present



APRIL 2003 WORKERS' COMPENSATION FREQUENCY AND SEVERITY REPORT
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* * *

FISCAL YEAR	TOTAL CLAIMS	TOTAL INDEMN	TOTAL LITGTD	CLAIM /100 EMPL	COST/\$100 PAY	COST(\$)/ CLAIM	COST(\$)/ INDEMNITY CLAIM	COST(\$)/ LITIGATED CLAIM	TOTAL \$ INCURRED	TOTAL \$ PAID
1991-92	3,237	1,918	567	3.70	1.01	10625.53	17,741.62	47,296.62	34,394,829.00	31,033,241.97
1992-93	3,039	1,804	497	3.53	0.95	10903.88	18,122.06	51,046.73	33,136,898.70	30,649,328.46
1993-94	2,651	1,587	460	3.15	1.09	14273.18	23,597.28	64,893.65	37,838,201.39	30,463,334.62
1994-95	2,561	1,664	455	3.00	1.14	16442.52	25,119.20	74,698.94	42,109,281.75	33,461,441.67
1995-96	2,619	1,795	495	3.19	1.58	20119.72	29,219.27	82,524.23	52,693,543.81	38,243,715.68
1996-97	2,726	1,899	513	3.39	1.58	19773.11	28,270.00	86,330.74	53,901,499.00	35,687,310.56
1997-98	2,628	1,945	574	3.22	1.84	23970.46	32,294.80	88,965.50	62,994,372.04	39,619,657.57
1998-99	2,806	2,104	636	3.32	1.80	23327.23	31,003.05	82,741.62	65,456,217.00	39,125,109.60
1999-00	2,721	1,994	592	3.10	1.69	24456.01	33,262.24	84,346.44	66,544,815.17	34,990,801.76
2000-01	2,765	2,133	552	3.12	1.40	22478.32	29,032.46	79,287.13	62,152,562.20	25,408,630.20
2001-02	2,768	2,023	476	2.94	0.99	16985.61	22,876.03	49,441.67	47,016,163.90	17,929,436.97
2002-03	2,306	1,748	237	2.47	0.92	11350.79	13,876.05	24,019.38	26,174,920.60	5,332,463.06

Columns 2 through 11

Total Claims occurred in Fiscal Year
 Total Indemnity Claims occurred in Fiscal Year
 Total Litigated Claims occurred in Fiscal Year
 Number of Claims per 100 Employees
 Severity Ratio – Total incurred costs per \$100 payroll
 Average Cost per claim
 Average Cost per indemnity claim
 Average Cost per litigated claim
 Total amount incurred to date
 Total amount paid to date

----- ***** SAS V8.2 ***** ----- PGR: C YUAN
 (DATA AS OF 04/30/03) MAY 2003 (2190 50)TSCPGA.CLAIMTP4.CNTL(C4N#REPT) - V1.40
 LACO CHIEF ADMINISTRATIVE OFFICE/EPIDEMIOLOGY SECTION -

NOTE: Claims Administrator
Complete this page for each adjusting
location where there are AT LEAST
two adjusting locations.

III. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: 4-7002-38-004

Name/Identification of Location: CRAWFORD & COMPANY
OR

Name of Affiliate/Subsidiary Certificate Holder: CRAWFORD & COMPANY

Type of Report:

XX Original Report (Due October 1 each year)

Interim/Amended Report for the Period of:
//_ to _/_/_

A. CASES AND BENEFITS (to nearest dollar)

			Incurred Liability		Paid to Date		Future Liability		
			Number	\$Indemnity	\$Medical	\$Indemnity	\$Medical	\$Indemnity	\$Medical
1.	Cases open as of 06/30/2001 reported prior to FY 1996-1997		1383	127230795	94768921	75442503	66044920	51788292	28724001
2a.	FY 1996-1997	Total cases reported	2765	34807629	14140211	17728152	9480715		
	FY 1996-1997	Cases Open	372	30339895	10679964	13260418	6020468	17079477	4659496
b.	FY 1997-1998	Total cases reported	2668	40670739	16265591	17736944	10257742		
	FY 1997-1998	Cases Open	558	36959412	13419711	14025617	7411862	22933795	6007849
c.	FY 1998-1999	Total cases reported	2847	35548041	16613945	16043644	8919859		
	FY 1998-1999	Cases Open	796	31901175	14449866	12396778	6755780	19504397	7694086
d.	FY 1999-2000	Total cases reported	2818	26654408	16245495	7641183	7144738		
	FY 1999-2000	Cases Open	1139	25332716	15080463	6319491	5979706	19013225	9100757
e.	FY 2000-2001	Total cases reported	2895	13234628	16759044	1092480	2537100		
	FY 2000-2001	Cases Open	2252	12973657	16488983	831509	2267039	12142148	14221944
							SUB TOTAL	142461334	70408133
3.	ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):							TOTAL	212869467
4.	Total Benefits paid during FY 2000-2001 (include all case expenditures):							\$Indemnity 27768915	\$Medical 17719722
5.	Number of MEDICAL-ONLY cases reported in FY 2000-2001:								843
6.	Number of INDEMNITY cases reported in FY 2000-2001:								2052
7.	TOTAL of 5 and 6 (also enter in 2e above):								2895
8.	TOTAL number of open indemnity cases (all years):								5901
9.	Number of Fatality cases reported in FY 2000-2001:								1
10.	(a) Number of FY 2000-2001 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2000-2001:								264
	(b) Number of non-FY 2000-2001 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2000-2001:								244

NOTE: Claims Administrator
Complete this page for each adjusting
location where there are AT LEAST
two adjusting locations.

Fiscal Year Ending June 30, 2002

III. LIABILITIES BY REPORTING LOCATION

Reporting Location Nos.: 4-7002-38-004

Name/Identification of Location: CRAWFORD & COMPANY

OR

Name of Affiliate/Subsidiary Certificate Holder: CRAWFORD & COMPANY

Type of Report:

Interim/Amended Report for the Period of:

___/___/___ to ___/___/___

☒ Original Report (Due October 1 each year)

A. CASES AND BENEFITS (to nearest dollar)

	Number	Incurred Liability		Paid to Date		Future Liability	
		\$Indemnity	\$Medical	\$Indemnity	\$Medical	\$Indemnity	\$Medical
1. Cases open as of 06/30/2002 reported prior to FY 1997-1998	1451	152335191	102442511	84033138	70510643	68302053	31931868
2a. FY 1997-1998 Total cases reported	2674	40855560	17665894	21769343	11843170		
FY 1997-1998 Cases open	448	35640410	14233768	16554193	8411044	19086217	5822724
b. FY 1998-1999 Total cases reported	2849	40323382	17772523	21052111	10800409		
FY 1998-1999 Cases open	593	35259441	14768527	15988170	7796413	19271271	6972114
c. FY 1999-2000 Total cases reported	2823	39210436	17884584	15354528	9982492		
FY 1999-2000 Cases open	793	35865287	15669811	12009379	7767719	23855908	7902092
d. FY 2000-2001 Total cases reported	2901	24431170	19406625	6990218	8108461		
FY 2000-2001 Cases open	1218	22912548	18129684	5471596	6831520	17440952	11298164
e. FY 2001-2002 Total cases reported	2832	17105656	17054180	1529820	3001062		
FY 2001-2002 Cases open	2195	16758834	16844094	1182998	2790976	15575836	14053118
SUB TOTAL						163532237	77980080
3. ESTIMATED FUTURE LIABILITY (Indemnity plus Medical):	TOTAL						241512317
4. Total Benefits paid during FY 2001-2002 (include all case expenditures):						\$Indemnity	\$Medical
5. Number of MEDICAL-ONLY cases reported in FY 2001-2002:						30593844	22364371
6. Number of INDEMNITY cases reported in FY 2001-2002:							975
7. TOTAL of 5 and 6 (also enter in 2e above):							1857
8. TOTAL number of open indemnity cases (all years):							2832
9. Number of Fatality cases reported in FY 2001-2002:							6014
10. (a) Number of FY 2001-2002 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2001-2002:							4
(b) Number of non-FY 2001-2002 claims for which the employer or administrator was notified of representation by an attorney or legal representative in FY 2001-2002:							273
							159

Fiscal Year

01/02

Claims Administration Checklist

Claim Number: _____ Name: _____
 Claim Report: ☐ 45 day ☐ 75 day ☐ 90 day

Date of Employer's Knowledge of Injury: _____

Basis for this date [claim form, discussion with Employer, etc.]: _____

Date of Contractor's Receipt of Claim: _____

Parts of Body Alleged Injured: _____

Diagnosis or injury: _____

Lost Time from work: ☐ None ☐ From _____ To _____

Department has sent employee to treating doctor?

☐ Yes: Name of treating doctor: _____

☐ No: QME set for AOE/COE: Date of Exam: _____

Name of Doctor: _____

AOE/COE Investigation: ☐ Not Necessary
☐ Date referred for investigation: _____

Personnel File Requested: ☐ Not Necessary
☐ Date Requested: _____

Wage Statement Requested: ☐ Not Necessary
☐ Date Requested: _____

Job Description Requested: ☐ Not Necessary
☐ Date Requested: _____

Medical Release Requested: ☐ Not Necessary
☐ Date Requested: _____

Case Denied? ☐ Date of Denial: _____
☐ Date of Acceptance: _____

Application Received? ☐ No

☐ Yes: Date Application received by Contractor: _____
 Date Litigation File forwarded to County Counsel: _____

Department Advised of Status of Claim: Date(s) Advised: _____

EQUIPMENT LIST TO CONNECT TO GENCOMP

Equipment lists to connect to the County of Los Angeles' Workers' Compensation Computer System:

Computer Equipment Provided by County

- 1, IBM RISC System/6000 computer
2. GenComp claims administration software
3. The GIFW application will install the following on the client PC's:
 - GIFW – the necessary GenIRIS for Windows applications including GenWORD
 - UniVerse UVODBC driver – the ODBC driver needed for the UniVerse database
 - UniVerse OniObjects – proprietary API for the UniVerse database
 - English Wizard – reporting tool used to ask “English” questions to query against the database
 - Sybase SQL Anywhere 5.0 – two small single-user, read-only databases and the necessary ODBC drivers

In addition the client PCs must have Microsoft Word (version 97 w/SR1 or higher through XP) and Microsoft WordViewer, which can be downloaded from the Microsoft's website.

GenSource is currently recommending Pentium 4 2.0 GHz PCs with 256 MB of RAM. GIFW will run on slower PCs; however, faster PCs will provide faster response times. The Contractor shall have a minimum configuration of Pentium 3 800 MHz PCs with 256 MB or RAM. GIFW requires approximately 100 MB for installation. GIFW has been tested with Windows 9X, NT workstation, and Windows 2000 Professional. GenSource clients are using GIFW with Windows XP, but GenSource has not officially certified it on Windows XP.

Additional Equipment to be Provided by TPA

4. Ethernet Local Area Network with personal computers having Pentium 4 2.0 GHz processors with 256 MB of RAM. In addition the personal computers must have Windows, Microsoft Word (version 2000 or XP), Excel (2000), and Microsoft WordViewer.
5. Communications

- a. Telephone link-up T-1 lines or other compatible or better electronic link-up.
 - b. GIFW requires the TCP/IP protocol running on ports 23, 512 and 31438. Ideally, the client PCs and the database server will be located in the same LAN at 33 Mbps or better.
5. Printers compatible with the County's GENCOMP System

Software Vendor: GenSource, Inc.
25572 Avenue Stanford
Valencia, CA 91355
(661) 294-1300

5/2/03
g/TPARFP/Technical Exhibit VII

**Examples of Data Fields in the County's
Workers' Compensation Computer System**

- | | |
|----------------------------------|----------------------------------|
| 1. Status of Case | 31. Dates Cases Reclosed |
| 2. Claim Number | 32. Compensation Reserves |
| 3. Employee Number | 33. Medical Reserves |
| 4. Location Code | 34. PD Awarded |
| 5. Current and Old Dept.No. | 35. Final PD Rating |
| 6. Social Security Number | 36. Lifetime Medical |
| 7. Employee Name | 37. Lifetime Medical Award |
| 8. Sex (Male/Female) | 38. Compensation Rate |
| 9. Date of Birth | 39. Periods of Compensation |
| 10. Occupation Description | 40. Compensation Paid to Date |
| 11. Occupation Code | 41. Medical Paid to Date |
| 12. Date of Injury | 42. Remaining Medical Reserves |
| 13. Employee's Address | 43. Remaining Comp. Reserves |
| 14. Employee's Phone Number | 44. Comments |
| 15. Date of Employment | 45. WCAB Board Number |
| 16. Weekly/Monthly Salary | 46. Application Date |
| 17. Employee Status | 47. Retirement App. Status |
| 18. Employer's Report Date | 48. Retirement Status |
| 19. Doctor's Report | 49. Long Term Disability Plan |
| 20. Date of Knowledge | 50. Various Diary Dates |
| 21. Last Day Worked | 51. Type of Award |
| 22. Case Rejected/Accepted | 52. Date of Award |
| 23. Date Case Closed | 53. Date Award Paid |
| 24. Injury Codes, ICD Codes | 54. Rehab. Bureau Number |
| 25. Activity at Time of Accident | 55. Subrogation Status |
| 26. Date of Death | 56. Date of Legal Representation |
| 27. Injury Description | |
| 28. Hospital Date | |
| 29. Date Case Opened | |
| 30. Dates Case Reopened | |

QUALITY OF WORK PERFORMANCE REQUIREMENTS SUMMARY

A. Introduction

County or its authorized representative shall have the right at all times to monitor and inspect Contractor's performance under this Agreement. This Exhibit sets forth the performance requirements that will apply to Contractor's service hereunder. The Charts at the end of this Technical Exhibit indicate each such service, the service indicators, the performance standards, the maximum allowable deviations from perfect performance or the Acceptable Quality Level (AQL) and the County's method of monitoring.

The County expects a high standard of Contractor performance under this Agreement. Contractor shall provide County or its authorized representative reasonable access at all time during Contractor's business hours for the purpose of monitoring and inspecting Contractor's services hereunder. The CCA will make every effort to work with the Contractor to resolve any areas of difficulty. However, it is the Contractor's responsibility to satisfactorily provide all the services in the Statement of Work.

B. Quality of Work Performance Requirements Summary Charts

The Quality of Work Performance Requirements Summary Charts at the end of this Technical Exhibit:

- List some of the services considered important to acceptable contract performance (Column 1 of each chart).
- Show some of the service indicators for each such service. (Column 2)
- Define the standard of performance for each such service. (Column 3)
- Show the maximum allowable degree of deviation from perfect performance to the Acceptable Quality Level (AQL) for each service that is allowable. (Column 4)
- Show the principal quality assurance method(s) the County will use to monitor and evaluate the Contractor's performance in meeting the contract requirements for each such service, and the frequency of such monitoring. (Column 5)

C. County Quality Assurance

Contractor's performance may be compared each calendar month or according to frequencies listed in the performance standards and AQL's using the Quality Assurance Monitoring Plan (QAMP).

The County may use a variety of inspection methods to evaluate the Contractor's performance. The methods of monitoring that may be used include, but are not limited to, the following:

- Monthly one hundred percent inspection. The County's Quality Assurance Evaluator (QAE) may use a checklist to carry out inspections of the Contractor on a random basis. During these inspections, the QAE will complete a checklist and determine on a monthly basis if the percentage of unsatisfactory findings to total findings exceeds the AQL.
- A comprehensive and complete audit is conducted on each administrator annually. However, the Assistant Division Chief, Risk Management Branch may request a special audit of an administrator. The special audit may be limited in scope or comprehensive based on the facts dictating the need for a special audit.
- The County will have access to the appropriate employment documents to verify that Claims Examiners meet the minimum qualifications and experience.
- Departmental Complaints or User Complaints
- Random sampling of completed reports and case files. An audit shall be performed by the Quality Assurance Evaluator or an independent outside auditor.
- Other methods deemed by the County Contract Administrator/designee to be appropriate for the evaluation of the Contractor's performance.

The basis for doing random sampling shall be the Military Standard 105D Sampling Procedures and Tables for Inspection by Attributes.

D. Criteria For Acceptable and Unacceptable Performance

Performance of a listed service is considered acceptable when the number of deficiencies found by the QAE during contract monitoring does not exceed the number of deficiencies allowed by the AQL. When the performance is deemed to be unacceptable by the CCA, the QAE shall issue a Contract Discrepancy Report (CDR). The CDR requires the Contractor to explain in writing how performance will be returned to an acceptable level, and how recurrence of the problem will be prevented.

Notwithstanding a finding of unsatisfactory service performance, the Contractor shall, as soon as possible, remedy any and all deficiencies in the provision of services and, as deemed possible or feasible by the County Contract Administrator/designee, perform such services again at an acceptable level.

The County Contract Administrator/designee shall evaluate the Contractor's explanation on the CDR, and if the County Contract Administrator/designee determines, in his sole discretion, that the particular defective performance for the particular service was caused by accident, strike, or similar occurrence beyond the control and without the fault or negligence of the Contractor, then the County Contract Administrator/designee may decline to count such performance as defective for such month.

E. Unsatisfactory Performance

Continued defective performance for six months or six CDR's within an eight month period shall, in County's discretion, constitute a default for failure to perform entitling County to terminate this Agreement.

F. Use of Sample Size Charts for Random Sampling

-- **Determining Lot Size**

To determine the sample size, the lot size must be known. The lot is how many cases the Contractor has been sent or how often the Contractor is required to provide the service in a given period of time.

To determine the lot size, estimate (or count) the quantity of the cases and/or frequency of the service to be sampled during the period it is to be sampled. Thus, if reviewing the files if the service is being sampled on a monthly basis, the lot size is the number of case files reviewed per month.

- Determining Sample Size
Use the Sample Size Chart to identify the appropriate sample size for a given lot size. The County has the option to use either the normal or reduced sample size.

SAMPLE SIZE CHART

<u>LOT SIZE</u>	<u>NORMAL SAMPLE SIZE</u>	<u>REDUCED SAMPLE SIZE</u>
2-8	2	2
9-15	3	2
16-25	5	2
26-50	8	3
51-90	13	5
91-150	20	8
151-280	32	13
281-500	50	20
501-1,200	80	32
1,201-3,200	125	50
3,201-10,000	200	80
10,001-35,000	315	125

QUALITY OF WORK PERFORMANCE REQUIREMENTS SUMMARY
WORKERS' COMPENSATION CLAIMS PROGRAM

<i>Factor Performance Incentive Factors (PIF)</i>	<i>Audited Performance Requirement</i>	<i>Max Var* 90 AQL</i>	<i>County Method of Monitoring</i>	<i>Weight</i>
Liability Decision	Decision Correct? <i>The decision to accept, reject or delay the claim was properly made and statutory benefit notices sent to the employee.</i>	20%	CFA	2
	Decision Timely? <i>The decision to reject, accept or delay a claim was made in accordance with statutory time limits</i>	10%	CFA	3
Investigation	AOE/COE Need Identified? <i>The administrator recognized the need to conduct a field investigation to determine compensability.</i>	15%	CFA	2
	Sub Rosa Need Identified? <i>Sub Rosa investigation was assigned based on the likelihood of obtaining results.</i>	20%	CFA	1
	Investigation Adequate? <i>Investigation is complete and timely.</i>	20%	CFA	2
Subrogation	Subrogation Identified? <i>Potential subrogation recovery is recognized by the administrator.</i>	20%	CFA	2
	Timely Pursuit? <i>The administrator takes effective and timely action to pursue recovery from negligent third parties.</i>	15%	CFA	2

<i>Factor PIF</i>	Audited Performance Requirement	Max Var* 90	County Method of Monitoring	Weight
Reserve Adequacy	Proper Case Reserves? <i>Case reserves are defined as follows: total of all payments on the file plus the outstanding reserves.</i>	15%	CFA	2
	Reserves Adjusted Timely? <i>Case reserves are changed with the changing status and ultimate probable cost of the claim.</i>	20%	CFA	2
Gencomp Database	Gencomp Data Fields Accurate and Up-To-Date? <i>New claims are input into Gencomp in a timely manner with all Gencomp fields entered accurately. All Gencomp fields are correct at the time of audit.</i>	25%	CFA	1
Payment Date	TD Payments Paid Timely? <i>Temporary total and partial disability is paid in accordance with time requirements of the Labor Code. Benefit notices reflect timely delivery of TTD and TPD.</i>	10%	CFA	3
	Permanent Disability Paid Timely? <i>Issues of permanent partial disability are resolved and payment of PPD is made in accordance with time requirements established in the Labor Code.</i>	10%	CFA	3
	VRTD Payments Timely? <i>Vocational Rehabilitation Temporary Disability (VRTD) benefits are paid in accordance with time requirements of the Labor Code requirements.</i>	10%	CFA	3
	Disability Benefits Paid Accurately? <i>All temporary, permanent and vocational rehabilitation disability benefits are paid at the correct rate and for the correct period of time.</i>	15%	CFA	2
	Death Benefits Properly Paid? <i>Prober dependents are identified and payments are made at the correct rate and in a timely manner.</i>	15%	CFA	2

<i>Factor PIF</i>	Audited Performance Requirement	Max Var* 90	County Method of Monitoring	Weight
Payment Date (continued)	Case Balanced Per County Guidelines? <i>The claim file was balanced in accordance with procedure and time requirements as established by the County</i>	25%	CFA	1
	Transportation Expenses Paid? <i>Transportation expenses are documented and paid at the correct rate, within the time requirements of the Labor Code.</i>	10%	CFA	3
	Medical Bills Sent for Fee Review? <i>Medical bills other than AMEs and IMEs are reviewed by the appropriate review service.</i>	15%	CFA	2
	Hospital Utilization Review Service Notified Timely? <i>The appropriate hospital utilization review service is promptly notified of inpatient hospital services.</i>	10%	CFA	1
	Hospital Utilization Review Service Notified Timely? <i>The administrator attempts to have injured workers treated at PPO-member hospitals.</i>	30%	CFA	1
	Bill Payments Timely? <i>Vendor bills are paid within 21 days of receipt.</i>	20%	CFA	2
	Payments Accurate? <i>Proper documented and necessary services are paid without duplication.</i>	15%	CFA	2
	Over-limit Bills Authorized? <i>All payments in excess of \$5,000 are approved by the County prior to payment.</i>	5%	CFA	2
Case Administration	Case under Medical Control? <i>The administrator controls medical treatment and costs by directing medical care during the first 30 days, special examinations, second opinions, utilization review and communicating with physicians.</i>	10%	CFA	3
	Good File Documentation? <i>Documents, correspondence and notes reflect the events that have taken place on the claim.</i>	15%	CFA	2

<i>Factor PIF</i>	Audited Performance Requirement	Max Var* 90	County Method of Monitoring	Weight
Case Administration (continued)	Effective Use of Diary Control? <i>Claims are reviewed at appropriate intervals by use of a diary system that brings files to the examiner and supervisor.</i>	10%	CFA	3
	Correspondence Handled Timely? <i>Requests for information or action are responded to promptly and in accordance with the urgency and importance of the request.</i>	10%	CFA	2
	SCIF Reimbursement Requested Timely? <i>Reimbursement from SCIF is requested promptly with necessary supporting documentation.</i>	5%	CFA	1
	Reinsurance Reimbursement Requested Timely? <i>Claims are reported to the reinsurance carrier with proper support documents.</i>	5%	CFA	1
	Settlement/Closure Timely? <i>Administrator took appropriate action to bring claim to an early and equitable resolution.</i>	15%	CFA	3
	Evidence of Supervisory Control? <i>Claims of significant monetary exposure or involving sensitive issues are reviewed by management.</i>	20%	CFA	2
	Initial Claimant Contact (4 Days)? <i>Employees are contacted by telephone or in person within four working days of receipt by the administrator.</i>	10%	CFA	3
Legal/Litigation	Timely Referral to Legal? <i>Litigation is referred to County counsel at the proper time but not to exceed 45 days.</i>	20%	CFA	1
	Medical Reports Sent to Legal Counsel Timely? <i>Medical reports are sent to defense counsel in a timely manner that allows the proper defense of the claim.</i>	20%	CFA	1

<i>Factor PIF</i>	Audited Performance Requirement	Max Var* 90	County Method of Monitoring	Weight
Legal/Litigation (continued)	Award Paid Timely? <i>All awards are paid within 14 days of receipt or earlier. Subsequent payments are paid in accordance with the Labor Code and the award.</i>	5%	CFA	3
	Counsel Notified of Activities Taking Place? <i>Administrator keeps defense counsel advised of actions taken to resolve the claim.</i>	20%	CFA	1
	Counsel Notified to Cancel Hearing Timely? <i>Administrator notifies defense counsel to cancel hearings when the need for a hearing has been eliminated</i>	10%	CFA	12
Rehabilitation Notification	Q.R.R. Assigned by 90 days of TTD? <i>A Qualified Rehabilitation Representative is assigned to the case within 10 days of 90 days of aggregate TTD.</i>	10%	CFA	3
	Denial, Delay and Warning Letters Timely? <i>Vocational rehabilitation denial, delay and warning letters are sent within the time requirement prescribed by the Rehabilitation Bureau.</i>	5%	CFA	2
	One-Year Presumption Applied? <i>Administrator takes action which reflects that employee is presumed to be a qualified injured worker after one year of TTD.</i>	10%	CFA	2
	Dispute Resolution Notices Timely? <i>The administrator has filed all state-required notices to resolve disputes and request conferences.</i>	10%	CFA	2
	Closing Notices Timely? <i>Administrator files notices to request closure in a timely manner and in accordance with Rehabilitation Bureau rules.</i>	20%	CFA	2
	Commencement Notices Timely? <i>Administrator files state-required commencement notices in accordance with Rehabilitation Bureau rules.</i>	10%	CFA	2

<i>Factor PIF</i>	Audited Performance Requirement	Max Var* 90	County Method of Monitoring	Weight
Rehabilitation Case Management	QIW Status Proper and Timely? <i>The administrator takes action in a timely manner to determine the employee's qualified injured worker status.</i>	10%	CFA	2
	Counselor Assigned Properly and Timely? <i>Administrator assigns a counselor in accordance with the rules and regulations of the Rehabilitation Bureau.</i>	10%	CFA	2
	Feasibility Studies Timely and Proper? <i>All feasibility studies are conducted in accordance with the rules and regulations of the Rehabilitation Bureau and in a manner which will lead to prompt resolution of the claim.</i>	10%	CFA	2
	Plan Appropriate and Timely? <i>A proper rehabilitation plan is documented and approved by the Rehabilitation Bureau in a timely manner.</i>	10%	CFA	3
	Placement Proper and Timely? <i>Placement activities are proper and timely based on the approved rehabilitation plan and the facts of the case.</i>	10%	CFA	2
	Was Closure Proper and Timely? <i>Administrator's actions have led to or will lead to a timely closure of rehabilitation issues.</i>	10%	CFA	2
	Activities Documented? <i>File contains correspondence, notices, notes, reports and other documents which describe the rehabilitation activities that have taken place on the claim.</i>	15%	CFA	2
Medical-Only	M.O. Determination Correct? <i>The claim is appropriately classified as medical-only and should not be classified as an indemnity claim.</i>	5%	CFA	1

<i>Factor Non-Performance Incentive Factors (NPIF)</i>	Audited Performance Requirements	Max Var* 90	County Method of Monitoring	Weight
Meets with Contract Manager	<i>Meets with County Contract Monitor at least weekly to exchange information and ideas and to discuss accomplishment of contractor and County goals.</i>	10%	CR/DO Contractor Reports	1
Claims Adjustment	<i>Average adjuster caseloads do not exceed 175 open indemnity claims per adjuster.</i>	5%	CR/DO Contractor Reports	2
	<i>All adjusters meet experience requirement.</i>	5%	CR/DO Contractor Reports	1
	<i>No more than 6 adjusters per supervisor.</i>	5%	CR/DO Contractor Reports	2
Replies to Contract Monitor Requests for Information/ Action	<i>Completes within a reasonable time limit established by Contract Monitor</i>	5%	DO Contractor Reports	2
Prepares Work Restriction Letters	<i>Completes and forwards documents in a timely manner.</i>	5%	RS/Complaints CFA	2
Completes Administrative Reports	<i>100% compliance with required reports.</i>	5%	DO Completed Reports	2

<i>Factor NPIF</i>	Audited Performance Requirement	Max Var* 90	County Method of Monitoring	Weight
Develop Claims Administration Manual	<i>Complies with manual instructions</i>	0%	RS Manual CFA	1
	<i>Advises staff of changes in procedures.</i>	0%		
	<i>Manual complies with County guidelines.</i>	0%		
Visits Assigned County Departments	<i>Contractor visits all assigned departments at least quarterly to exchange information, review workers' compensation laws and procedures.</i>	10%	CR Contractor Reports	1

DEFINITION OF CODES

CFA Claim File Audits

CR 100% Inspection of Computer System Reports

SR 100% Inspection of Contractor Reports

DO Direct Observation

*Maximum variance from acceptable quality level (AQL)

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
Contract: Sub-paragraph 32.0 – Confidentiality	Contractor Confidentiality Statements signed	Submission	\$50 for each late submission. Employees must sign within 10 days of contract inception or employment.
Contract: Sub-paragraph – 11.4 Notification of Incidents, Claims or Suits	Contractor to notify County in writing within 24 hours of any accident or incident relating to services performed under this Contractor which may involve filing a lawsuit or claim against the Contractor and/or County	Submission	\$50 if submitted more than 7 business days after Contractor's knowledge of claim or lawsuit
Contract: Sub-paragraph 12.4 – Performance Bond/Certificate of Deposit (CD) or Letter of Credit (LOC)	Contractor to provide Performance Bond, CD, or LOC.	Submission	\$50 if submitted more than 30 days after contract start date
Contract: Sub-paragraph 3.3 – Notice When 75% Contract Authorization Incurred	Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred 75% of total contract authorization under the Contract.	Submission	\$50 for late notification.
Contract: Sub-paragraph 1.3 – Contractor to Notify County within six (6) months of expiration of contract	Contractor shall notify CAO when this Contract is within 6 months from the expiration of the term.	Submission	\$50 for late notification
Contract: Sub-paragraph 20.0 Termination for Improper Consideration	Contractor will immediately report any attempt by a County officer or employee to solicit improper consideration.	Report to CCA or call to County Auditor - Controller's Employee Fraud Hotline	Termination of Contract for providing improper consideration and \$100 for failure to report attempt to obtain improper consideration.

5/30/03
G/TPARFP/Performance Requirements Summary2

TECHNICAL EXHIBIT X
CONTRACT DISCREPANCY REPORT

TO:

FROM:

DATES: **Prepared:** _____
 Returned by Contractor: _____
 Action Completed: _____

DISCREPANCY PROBLEMS: _____

Signature of County Representative

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of Contractor Representative

Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE: _____

Signature of County Representative

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

County Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

WORKERS' COMPENSATION CLAIMS MANUAL

SUBJECT PAYMENTS AND NEGOTIATION AUTHORIZATION LIMITS	NUMBER 9.06
	PAGE 1 OF 2
	EFFECTIVE 05/16/95
SECTION POLICY	APPROVED

It is the policy of the County of Los Angeles to establish payment and negotiation authorization limits for Third Party Administrator and County staff.

When the payment amount/negotiation level exceeds the individual's authorization limits, the payment/written justification and the claims file will be forwarded to the appropriate level for review and approval. No payment above one's authority will be processed without higher level approval. No negotiation of settlements above one's authority should take place without higher level approval.

These limits will be reviewed and revised periodically by the County.

	PAYMENTS	NEGOTIATION
Claims Assistant - TPA	1,000	0
Adjuster - TPA	4,000	5,000
Supervisor - TPA	5,000	10,000
Manager - TPA	7,500	20,000
QAE – CAO	50,000	50,000
Assistant Division Chief, CAO - Risk Management Branch	75,000	75,000
Assistant Administrative Officer, Risk Management Branch	75,000+	75,000+

DISTRIBUTION:

Third-Party Administrators
Quality Assurance Evaluators
Workers' Compensation Trust Fund Fiscal Administration
Assistant Division Chief, CAO - Risk Management Branch
Assistant Administrative Officer, Risk Management Branch

Technical Exhibit XII

PAYMENT PROVISIONS

Contract Years Two, Three, Four and Five

The rate for the twelve-month periods commencing January 1, and ending December 31, 2005, December 31, 2006, December 31, 2007, and December 31, 2008 may be adjusted annually based on the increase or decrease in the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County Area for the most recently published percentage change for the 12-month period preceding the contract anniversary date, which shall be the effective date for any cost of living adjustment. However, any increase shall not exceed the general salary movement granted to County employees as determined by the Chief Administrative Office as of each July 1 for the prior 12-month period. Furthermore, should fiscal circumstances ultimately prevent the Board from approving any increase in County employee salaries, no cost of living adjustments will be granted.

Example of Computation:

Computation of percentage change in Index (using hypothetical numbers):

CPI-W in December of Year Two	176.7
Less CPI-W in December of Year One	- <u>169.7</u>

Equals Index Point Change	7.0
---------------------------	-----

Divided by previous Index of 169.7 =	0.041
--------------------------------------	-------

Results multiplied by 100 = PERCENT CHANGE of 4.1 (Contractor shall be paid increase of 4.1% using this example.)

5/5/03
g/TPARFP/Payment Provisions

ANATOMY OF A PAYMENT

The processing time indicated below reflects the steps a payment goes through after it is actually entered into the system.

Normal Processing Time For A Payment After It Has Been Entered Into The System

- Day 1 - A payment is entered on a given day or it is the first day of a cycle for a cycled payment. The payment at this point in time shows on the system as "Ready For Goodnite Processing." The "Goodnite" processing subsequently takes place during the evening and early morning hours. After the "Goodnite" processing, the payments in the system will display the message "Trans Ready For Check Printing" or they will reflect an error message.
- Day 2 - Fund management selects the transactions allowed by the system through the "Goodnite" process, (those not erroring out), and generates an electronic warrant (check) file. The electronic warrant (check) file is then transferred to the Auditor-Controller for processing. When we complete this process, payment transactions continue to read "Trans Ready For Check Printing."
- Day 3 - The Auditor-Controller processes our electronic warrant (check) file at 4:00 a.m. daily. The warrants (checks) and a control register are printed during the 4:00 a.m. processing.
- Day 4 - The Auditor-Controller then mails the warrants (checks).

Several days later, the Auditor-Controller sends a computer file to us that has the warrant (check) numbers on it. When we load this file into our system, the payment transactions that previously reflected "Trans Ready For Check Printing" are changed by the system to read "Check Printed Ready For Goodnite Processing."

During the evening of the day we load this file, another "Goodnite" process takes place. After this process, the message "Check Printed Ready For Processing" is removed and the transaction moves to Payment History with the check number and check date.

The above is what should occur most of the time. However, if warrants (checks) are not mailed or are alleged to not have been received, the reasons could be many. Following are some examples:

1. Computer downtime.
2. Incorrect payee addresses (a common problem).
3. Transactions are caught and held by the system for various errors such as, overlapping from and through dates, etc.
4. Payee's spouse cashed check.
5. Large hospitals, etc., place checks in miscellaneous accounts and then allege they didn't receive them.
6. The neighbors picked-up the mail.
7. Etc., etc., etc.

4/18/03

g/TPARFP/Anatomy of a Payment

EXAMPLES OF OVERPAYMENTS AND EXCESS COSTS

Overpayments include but are not limited to:

- Duplicate payments of indemnity of medical costs.
- Indemnity paid at the wrong rate
- Indemnity paid for dates where none is due
- Salary continuation authorized although claimant not eligible.
- Indemnity paid for non-industrial disability
- Medical paid for non-industrial treatment
- Indemnity or medical payments made to the wrong provider.
- Medical providers paid more than RVS without justification in file.
- Failure to take credit for subrogation lien, VPA lien, EDD lien, or other liens against indemnity or medical benefits.
- Failure to follow-up on Auditor-Controller overpayment letter resulting in an unrecoverable overpayment of indemnity.
- Inaccurate benefit notices sent to the department resulting in an overpayment by the department.
- Benefits paid on the wrong claim resulting in higher rates or additional benefits being paid in error.
- Failure to timely request canceled checks resulting in inability to defend the County against claims of non-payment.
- Duplicate medical exams, investigations, etc., ordered and paid for.
- Payment made without adequate file documentation to explain or justify the payment.
- TD picked up on settled case beyond 5 years from DOI where WCAB has no jurisdiction to order additional TD.
- Any other overpayments resulting from failure to follow best claims practices.

Excess costs include but are not limited to:

- Retroactive rehabilitation medical or indemnity payments paid for periods where the claimant was not participating in rehabilitation due to failure of TPA to send proper forms or refer the claimant to a rehabilitation vendor.
- Rehabilitation indemnity paid at the TD rate due to failure of TPA to send proper forms or refer the claimant to a rehabilitation vendor.
- VRMA due over and above the cap due to failure of TPA to send proper forms or refer the claimant to a rehabilitation vendor.
- Additional costs awarded due to TPA failure to defend the County and/or provide necessary documentation or accounting.
- Overadvancement of indemnity without benefit of commutation resulting in loss of interest saved to the County.
- Failure to timely object to inaccurate Orders and Awards resulting in payments over what should be due under the Labor Code.
- Benefits paid on a questionable or non-industrial injury due to failure to deny claim timely.
- Case settlement for more than its true value due to TPA failure to obtain timely and appropriate defense medicals, AOE-COE investigations, or to otherwise defend the County.
- Other excess costs as a result of failure to follow best claims practices.

SAMPLE BALANCE SHEET

NAME: XXXXX
 DATE OF INJURY: 1-16-92

CLAIM NUMBER: 1000-92-XXXXX
 OUT OF SERVICE/
 RETIREMENT DATE:

ABSTRACT DATE: 5-8-98
 (Attach abstract to Balance Sheet)

TD, VRTD, VRMA #WKS	RATE	TO	PAY CAT=\$	TOTAL
<u>33 6/7</u>	<u>336</u>	<u>01-17-92</u> TO <u>9-9-92</u>	<u>26</u>	<u>=11,376.00</u>
<u>3 6/7</u>	<u>336</u>	<u>12-05-92</u> TO <u>12-31-92</u>	<u>26</u>	<u>= 1,296.00</u>
<u>17 1/7</u>	<u>336</u>	<u>01-01-93</u> TO <u>04-30-93</u>	<u>20</u>	<u>= 5,760.00</u>
<u>4 1/7</u>	<u>336</u>	<u>06-02-94</u> TO <u>06-30-94</u>	<u>20</u>	<u>= 1,392.00</u>
<u>15 1/7</u>	<u>406</u>	<u>07-01-94</u> TO <u>10-14-94</u>	<u>20</u>	<u>= 6,148.00</u>
<u>41 4/7</u>	<u>246</u>	<u>10-15-94</u> TO <u>08-01-95</u>	<u>40</u>	<u>=10,226.57</u>
<u>7 2/7</u>	<u>422.16</u>	<u>08-02-95</u> TO <u>09-21-95</u>	<u>20</u>	<u>= 3,075.74</u>
SUB TOTAL \$				<u>39,274.31</u>
P.D. <u>20</u> %				
WKS <u>70.50</u> @ <u>140.00</u> = \$ <u>9,870.00</u>				
COMPROMISE & RELEASE _____ = \$				
LP START DATE				
_____ WKS @ _____ RATE =				
SUB TOTAL \$				
INTEREST:				
SAVED (-) \$				
PAID (+) \$				
PENALTY (+) \$				
INTEREST/PENALTY (+/-) SUB TOTAL \$				
OTHER (EXPLAIN)				
(PDAs GO HERE) +/-				
_____ +/-				
TOTAL \$				<u>49,144.31</u>
(NOTE ANY OVERPAYMENTS HERE)				

INDEMNITY <u>37,719.54</u>
REHAB <u>8,999.38</u>
PENDING <u>0</u>
TOTAL ON ABSTRACT: \$ <u>46,718.92</u>
BEING PAID NOW:
INJURED <u>288.20</u> (Payment made today)
ATTORNEY
OTHER <u>-168.00</u> 40D (Internal Correction
<u>-788.80</u> 40D Done Today)
<u>+956.80</u> 21E
SUBTOTAL TO BE PAID: \$<u>288.20</u>
PD REMAINING PAYMENTS:
<u>6.50</u> WKS @ <u>\$140.00</u> = <u>910.00</u>
LIFE PENSION REMAINING PAYMENTS:
_____ WKS @ \$ _____ =
REHAB ATTY FEES WITHELD:
@ <u>12</u> % \$ <u>1,227.19</u>
TOTAL \$ <u>49,144.31</u>
COMPUTED BY: (Name and date go here)

Los Angeles County Code 5.31.050

5/2/03
g/TPARFP/TPA-E4

PERSONNEL

county employees. This shall include testing and evaluating poisonous or other dangerous chemicals used in county facilities. Such materials shall be referred by the purchasing agent to the department of personnel environmental health section for testing prior to their use by any county department. The potential for illness from these chemicals shall be obtained by the director of personnel prior to their use by any county department. Upon request, the director of personnel shall also provide for the inspection of the work environment of county employees to insure compliance with pertinent provisions under the California Occupational Safety and Health Act (Cal-OSHA).

G. Hazardous Equipment and Materials. The purchasing agent, with the assistance of the director of personnel, the chief administrative officer, and other county departments as required, shall be responsible for the evaluation of all equipment or materials to be purchased by the county to insure that such equipment or materials have been approved, listed or labeled as conforming to generally accepted health and safety standards, such as those established by the Underwriters' Laboratories, Factory Mutuals Laboratories, U.S. Bureau of Standards, U.S. Bureau of Mines, and California Occupational Safety and Health Act. (Ord. 84-0220 § 1 (a)(part), 1984; Ord. 83-0058 § 5, 1983; Ord. 82-0264 § 1 (part), 1982; Ord. 9886 § 2, 1969; Ord. 9802 §§ 2, 3 and 4, 1969; Ord. 9740 § 2, 1969; Ord. 8512 § 4 (part), 1963; Ord. 4099 Art. 3 § 78.01, 1942.)

5.31.040 Environmental health and safety and workers' compensation program. The director of personnel shall coordinate and provide policy guidance for a program of environmental health and safety and workers' compensation to reduce the incidence of both occupational illness and injuries, and vehicular accidents, to assist injured employees in the prompt provision of benefits and equitable resolution of their claims, and to restore disabled employees to working status compatible with physical and health limitations and job requirements. As used in Ordinance 4099, the term "county" shall include every "public entity," as said latter term is defined in Section 2.02.220 of this code. (Ord. 84-0220 § 1 (a)(part), 1984; Ord. 82-0264 § 1 (part), 1982; Ord. 9802 § 1, 1969; Ord. 9740 § 1, 1969; Ord. 8512 § 3, 1963; Ord. 4099 Art. 3 § 78, 1942.)

5.31.050 Workers' compensation system. A. The director of personnel shall establish, administer and operate, as part of the county-wide safety program, a complete self-insured workers' compensation system to ensure the full provision of benefits under the law to employees whose injuries arise out of and in the course

of employment. The system shall include provision for medical, surgical, hospital and other treatment required to cure and relieve the effects of injury, as well as payment of temporary and permanent disability compensation and death benefits as prescribed by state law or by county ordinance. As part of this responsibility, the director of personnel shall establish and administer procedures to provide for the following:

1. Reporting, investigation, and adjustment of claims arising out of accidents and injuries;

2. Determination of compensability of medical treatment and the payment of all workers' compensation benefits prescribed by state law or county ordinance;

3. Collection, compilation and reporting of statistical data, including departmental cost experience and actuarial projections;

4. Establishment and review of reserves on each case to reflect incurred cost of all anticipated benefits;

5. Control of workers' compensation costs consistent with provision of full benefits under the law.

B. The county counsel shall provide legal counsel and representation in any litigation related to workers' compensation. (Ord. 84-0220 § 1 (a)(part), 1984; Ord. 82-0264 § 1 (part), 1982; Ord. 9802 § 5, 1969; Ord. 8740 § 3, 1969; Ord. 8512 § 4 (part), 1963; Ord. 4099 Art. 3 § 78.02, 1942.)

5.31.060 Employee service rehabilitation program. The director of personnel shall develop and administer a program of employee service and rehabilitation designed to ensure that injured employees and their dependents are provided guidance and information regarding their rights and benefits, assistance in solving problems arising from industrial accidents and help in facilitating employees' return to work. The program shall make provision for medical and vocational rehabilitation, retraining, and reassignment of employees with physical or performance limitations arising out of industrial accidents or non-service-connected disabilities. (Ord. 84-0220 § 1 (a)(part), 1984; Ord. 9740 § 4, 1969; Ord. 9246 § 3 (part), 1967; Ord. 8512 § 4 (part), 1963; Ord. 4099 Art. 3 § 78.03, 1942.)

5.31.070 Reassignment of duties after medical evaluation. A. In cooperation with the director of personnel, the appointing officers shall be responsible for assisting in the reassigning of employees who, for medical reasons, are unable to perform the normal duties of their assigned positions to such other duties which can be performed without further medical aggravation to the employees involved, or for taking whatever other medi-

COUNTY OF LOS ANGELES

POLICY ON DOING BUSINESS WITH SMALL BUSINESS

Forty-two percent of businesses in Los Angeles County have five or fewer employees. Only about four percent of businesses in the area exceed 100 employees. According to the Los Angeles Times and local economists, it is not large corporations, but these small companies that are generating new jobs and helping move Los Angeles County out of its worst recession in decades.

WE RECOGNIZE. . .

The importance of small business to the County. . .

- in fueling local economic growth
- providing new jobs
- creating new local tax revenues
- offering new entrepreneurial opportunity to those historically under-represented in business

The County can play a positive role in helping small business grow. . .

- as a multi-billion dollar purchaser of goods and services
- as a broker of intergovernmental cooperation among numerous local jurisdictions
- by greater outreach in providing information and training
- by simplifying the bid/proposal process
- by maintaining selection criteria which are fair to all
- by streamlining the payment process

WE THEREFORE SHALL:

1. Constantly seek to streamline and simplify our processes for selecting our vendors and for conducting business with them.
2. Maintain a strong outreach program, fully-coordinated among our departments and districts, as well as other participating governments to: a) inform and assist the local business community in competing to provide goods and services; b) provide for ongoing dialogue with and involvement by the business community in implementing this policy.
3. Continually review and revise how we package and advertise solicitations, evaluate and select prospective vendors, address subcontracting and conduct business with our vendors, in order to: a) expand opportunity for small business to compete for our business; and b) to further opportunities for all businesses to compete regardless of size.
4. Insure that staff who manage and carry out the business of purchasing goods and services are well trained, capable and highly motivated to carry out the letter and spirit of this policy.

Technical Exhibit XVIII

LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM

This Contract is subject to the provisions of the County's ordinance entitled Local Business Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.

Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.

Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.

If Contractor has obtained County certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply if Contractor is no longer eligible for certification as a result in a change of their status and Contractor failed to notify the State and the County's Office of Affirmative Action Compliance of this information.

4/29/03

G/TPARFP/Tech Exh Local Small Bus Enterprise Pref Program

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

Page 1 of 3

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies.

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.
- C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-3700 or a successor provision; or
 - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.4.0 or a successor provision; or
 - 6. A purchase card pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision; or
 - 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or

8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section PP-1100 or a successor provision.

- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard as determined by the chief administrative officer or the contractor has a long-standing practice that defines a full-time schedule as less than 40 hours per week.

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable.

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service.

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract.

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor.

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

manner inconsistent with the laws of the United States or California.

- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 - 1. Has ten or fewer employees during the contract period; and,
 - 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 - 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

Title 2 ADMINISTRATION
DETERMINATIONS OF CONTRACTOR NON-RESPONSIBILITY
AND CONTRACTOR DEBARMENT ORDINANCE

2.202.010 Findings and declarations.

The board of supervisors finds that, in order to promote integrity in the county's contracting processes and to protect the public interest, the county's policy shall be to conduct business only with responsible contractors. Determinations of contractor non-responsibility and contractor debarment shall be made in accordance with the procedures set forth in the ordinance codified in this chapter and implementation instructions issued by the auditor-controller. (Ord. 2000-0011 § 1 (part), 2000.)

2.202.020 Definitions.

For purposes of this chapter, the following definitions apply:

A. "Contractor" means a person, partnership, corporation or other entity who has contracted with, or is seeking to contract with, the county to provide goods to, or perform services for or on behalf of, the county. A contractor includes a contractor, subcontractor, vendor, or any person or entity who or which owns an interest of 10 percent or more in a contractor, subcontractor or vendor.

B. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county.

C. "Debarment" means an action taken by the county which results in a contractor being prohibited from bidding upon, being awarded, and/or performing work on a contract with the county for a period of up to three years. A contractor who has been determined by the county to be subject to such a prohibition is "debarred."

D. "Department head" means either the head of a department responsible for administering a particular contract for the county or the designee of same.

E. "County" means the county of Los Angeles, any public entities for which the board of supervisors is the governing body, nonprofit corporations created by the county and any joint powers authorities that have adopted county contracting procedures.

F. "Contractor hearing board" means the persons designated to preside over contractor debarment hearings and make recommendations on debarment to the board of supervisors. (Ord. 2000-0011 § 1 (part), 2000.)

2.202.030 Determination of contractor non-responsibility.

A. Prior to a contract being awarded by the county, the county may determine that a party submitting a bid or proposal is non-responsible for purposes of that contract. In the event that the county determines that a bidder/proposer is non-responsible for a particular contract, said bidder/proposer shall be ineligible for the award of that contract.

B. The county may declare a contractor to be non-responsible for purposes of a particular contract if the county, in its discretion, finds that the contractor has done any of the

Title 2 ADMINISTRATION
 DETERMINATIONS OF CONTRACTOR NON-RESPONSIBILITY
 AND CONTRACTOR DEBARMENT ORDINANCE

following: (1) committed any act or omission which negatively reflects on the contractor's quality, fitness or capacity to perform a contract with the county or any other public entity, or engaged in a pattern or practice which negatively reflects on same; (2) committed an act or omission which indicates a lack of business integrity or business honesty; or (3) made or submitted a false claim against the county or any other public entity.

C. Before making a determination of non-responsibility pursuant to this chapter, the department head shall give written notice to the contractor of the basis for the proposed non-responsibility determination, and shall advise the contractor that a non-responsibility hearing will be scheduled on a date certain. Thereafter, the department head shall conduct a hearing where evidence on the proposed non-responsibility determination is presented. The contractor and/or attorney or other authorized representative of the contractor shall be afforded an opportunity to appear at the non-responsibility hearing and to submit documentary evidence, present witnesses and offer rebuttal evidence. After such hearing, the department head shall prepare a proposed decision, which shall contain a recommendation regarding whether the contractor should be found non-responsible with respect to the contract(s) at issue. A record of the hearing, the proposed decision and any recommendation shall be presented to the board of supervisors. The board of supervisors may, in its discretion, limit any further hearing to the presentation of evidence not previously presented. The board of supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the department head. A non-responsibility finding shall become final upon approval by the board of supervisors.

D. The decision by the county to find a contractor non-responsible for a particular contract is within the discretion of the county. The seriousness and extent of the contractor's acts, omissions, patterns or practices as well as any relevant mitigating factors may be considered by the county in determining whether a contractor should be deemed non-responsible. (Ord. 2000-0011 § 1 (part), 2000.)

2.202.040 Debarment of Contractors.

A. The county may debar a contractor who has an existing contract with the county and/or a contractor who has submitted a bid or proposal for a new contract with the county.

B. The county may debar a contractor if the county finds, in its discretion, that the contractor has done any of the following: (1) violated any term of a contract with the county; (2) committed any act or omission which negatively reflects on the contractor's quality, fitness or capacity to perform a contract with the county or any other public entity, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the county or any other public entity.

C. Before making a debarment determination pursuant to this chapter, the department head shall give written notice to the contractor of the basis for the proposed debarment, and shall advise the

contractor that a debarment hearing will be scheduled on a date certain. The contractor

Title 2 ADMINISTRATION
DETERMINATIONS OF CONTRACTOR NON-RESPONSIBILITY
AND CONTRACTOR DEBARMENT ORDINANCE

hearing board shall conduct a hearing where evidence on the proposed debarment is presented. The contractor and/or attorney or other authorized representative must be given an opportunity to appear at the debarment hearing and to submit documentary evidence, present witnesses, and offer rebuttal evidence at that hearing. After such hearing, the contractor hearing board shall prepare a proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred and, if so, the appropriate length of time for the debarment. A record of the hearing, the proposed decision and any recommendation shall be presented to the board of supervisors. The board of supervisors may, in its discretion, limit any further hearing to the presentation of evidence not previously presented. The board of supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the contractor hearing board. A debarment finding shall become final upon the approval of the board of supervisors.

D. The decision by the county to debar a contractor is within the discretion of the county. The seriousness and extent of the contractor's acts, omissions, patterns or practices as well as any relevant mitigating factors may be considered by the county in making any debarment decision. Upon a debarment finding by the board of supervisors, the county shall have the right, in its discretion, to determine the length that the contractor may be prohibited from bidding upon and being awarded a new contract with the county, which period may not exceed three years. In addition, upon a debarment finding by the board of supervisors, the county may, in its discretion, terminate any or all existing contracts the contractor may have with the county. In the event that any existing contract is terminated by the county, the county shall maintain the right to pursue all other rights and remedies provided by the contract and/or applicable law. (Ord. 2000-0011 § 1 (part), 2000.)

2.202.050 Pre-emption.

In the event any contract is subject to federal and/or state laws that are inconsistent with the terms of the ordinance codified in this chapter, such laws shall control. (Ord. 2000-0011 § 1 (part), 2000.)

2.202.060 Severability.

If any section, subsection, subpart or provision of this chapter, or the application thereof to any person or circumstances, is held invalid, the remainder of the provisions of this chapter and the application of such to other persons or circumstances shall not be affected thereby. (Ord. 2000-0011 § 1 (part), 2000.)

LISTING OF CONTRACTORS DEBARRED IN LOS ANGELES COUNTY

Vendor Name: Shobie Enterprises DBA Seahawk Construction

Principal Owners: Shamir Ahmad Qazi

Debarment Start Date: April 30, 2002 Debarment End Date: April 30, 2005

Vendor Name: Automation Data Solutions

Principal Owners: Renee Setero

Debarment Start Date: March 4, 2003 Debarment End Date: March 3, 2006

Vendor Name: 2X, Inc. a.k.a. LA Internet, Inc.,
2X Access
Internet Business International
(Referred to collectively as "LA Internet")Principal Owners: Ken Reda
Albert Reda
Louis CherryDebarment Start Date: September 9, 2003 Debarment End Date: September 8, 2006



Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. November 2002)

Have You Told Your Employees About the Earned Income Credit (EIC)?

What Is the EIC?

The EIC is a refundable tax credit for certain workers.

A change to note. Workers **cannot** claim the EIC if their 2002 investment income (such as interest and dividends) is over \$2,550.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on **Form W-4**, Employee's Withholding Allowance Certificate.

Note: *You are encouraged to notify each employee whose wages for 2002 are less than \$34,178 that he or she may be eligible for the EIC.*

How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS **Form W-2**, Wage and Tax Statement, which has the required information about the EIC on the back of **Copy B**.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- **Notice 797**, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2003.

You must hand the notice directly to the employee or send it by First-Class Mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice by calling 1-800-829-3676, or from the IRS Web Site at www.irs.gov.

How Will My Employees Know If They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see the 2002 instructions for Form 1040, 1040A, 1040EZ, or **Pub. 596**, Earned Income Credit (EIC).

How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2002 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2002 and owes no tax but is eligible for a credit of \$791, he or she must file a 2002 tax return to get the \$791 refund.

How Do My Employees Get Advance EIC Payments?

Eligible employees who expect to have a qualifying child for 2003 can get part of the credit with their pay during the year by giving you a completed **Form W-5**, Earned Income Credit Advance Payment Certificate. You **must** include advance EIC payments with wages paid to these employees, but the payments are not wages and are not subject to payroll taxes. Generally, the payments are made from withheld income, social security, and Medicare taxes. For details, see **Pub. 15**, Employer's Tax Guide.

Notice 1015
(Rev. 11-2002)

<http://www.irs.gov/pub/irs-pdf/n1015.pdf>



No shame.

No blame.

No names.

**Newborns can be safely given up
at any Los Angeles County
hospital emergency room or fire station.**



In Los Angeles County:

1-877-BABY SAFE

1-877-222-9723

www.babysafela.org



State of California
Gray Davis, Governor

Health and Human Services Agency
Grantland Johnson, Secretary

Department of Social Services
Rita Saenz, Director



Los Angeles County Board of Supervisors

Gloria Molina, Supervisor, First District

Yvonne Brathwaite Burke, Supervisor, Second District

Zev Yaroslavsky, Supervisor, Third District

Don Knabe, Supervisor, Fourth District

Michael D. Antonovich, Supervisor, Fifth District

This initiative is also supported by First 5 LA and INFO LINE of Los Angeles.

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, workers will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their newborns within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?

No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week so long as the parent gives the baby to someone who works at the hospital or fire station.

Does a parent have to tell anything to the people taking the baby?

No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

A baby's story

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.

It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.

Sin pena. Sin culpa. Sin peligro.

Los recién nacidos pueden ser entregados en forma segura en la sala de emergencia de cualquier hospital o en un cuartel de bomberos del Condado de Los Angeles.



En el Condado de Los Angeles:

1-877-BABY SAFE

1-877-222-9723

www.babysafela.org



Estado de California
Gray Davis, Gobernador

Agencia de Salud y Servicios Humanos
(Health and Human Services Agency)
Grantland Johnson, Secretario

Departamento de Servicios Sociales
(Department of Social Services)
Rita Saenz, Directora



Consejo de Supervisores del Condado de Los Angeles

Gloria Molina, Supervisora, Primer Distrito

Wonne Brattinwaite Burke, Supervisora, Segundo Distrito

Zev Yaroslavsky, Supervisor, Tercer Distrito

Don Knabe, Supervisor, Cuarto Distrito

Michael D. Antonovich, Supervisor, Quinto Distrito

Esta Iniciativa tambien esta apoiada por First 5 LA y INFO LINE de Los Angeles.

¿Qué es la Ley de Entrega de Bebés Sin Peligro?

La Ley de Entrega de Bebés Sin Peligro de California permite a los padres entregar a su recién nacido confidencialmente. Siempre que el bebé no haya sufrido abuso ni negligencia, padres pueden entregar a su recién nacido sin temor a ser arrestados o procesados.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura, dentro de los tres días del nacimiento. El bebé debe ser entregado a un empleado de una sala de emergencias o de un cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden empezar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Angeles, al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

En la mayoría de los casos, los padres son los que llevan al bebé. La ley permite que otras personas lleven al bebé si tienen la custodia legal del menor.

¿Los padres deben llamar antes de llevar al bebé?

No. El padre/madre puede llevar a su bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, mientras que entregue a su bebé a un empleado del hospital o de un cuartel de bomberos.

¿Es necesario que el padre/madre diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital le pedirá que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para los cuidados que recibirá el bebé. Es recomendado llenar este cuestionario, pero no es obligatorio hacerlo.

¿Qué ocurrirá con el bebé?

El bebé será examinado y, de ser necesario, recibirá tratamiento médico. Luego el bebé se entregará a un hogar preadoptivo.

¿Qué pasará con el padre/madre?

Una vez que los padres hayan entregado a su bebé en forma segura, serán libres de irse.

¿Por qué California hace esto?

La finalidad de la Ley de Entrega de Bebés Sin Peligro es proteger a los bebés del abandono por parte de sus padres y de la posibilidad de que mueran o sufran daños. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Es posible que los padres que cometieron estos actos hayan estado atravesando dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus recién nacidos porque tenían miedo y no tenían adonde recurrir para obtener ayuda. El abandono de un recién nacido lo pone en una situación de peligro extremo. Además es ilegal. Muy a menudo el abandono provoca la muerte del bebé. Ahora, gracias a la Ley de Entrega de Bebés Sin Peligro, esta tragedia ya no debe suceder nunca más en California.

Historia de un bebé

A las 8:30 a.m. del jueves 25 de julio de 2002, se entregó un bebé recién nacido saludable en el St. Bernardine Medical Center en San Bernardino, en virtud de las disposiciones de la Ley de Entrega de Bebés Sin Peligro. Como lo establece la ley, la madre del bebé no se tuvo que identificar. Cuando el bebé llegó a la sala de emergencias, un pediatra lo revisó y determinó que el bebé estaba saludable y no tenía problemas. El bebé fue ubicado con una buena familia, mientras se iniciaban los trámites de adopción.

**Cada recién nacido merece una
oportunidad de tener una vida saludable.
Si alguien que usted conoce está pensando
en abandonar a un recién nacido, infórmele
qué otras opciones tiene.**

Es mejor que las mujeres busquen ayuda para recibir atención médica y asesoramiento adecuado durante el embarazo. Pero al mismo tiempo, queremos asegurarles a los padres que optan por no quedarse con su bebé que no irán a la cárcel si dejan a sus bebés en buenas manos en cualquier sala de emergencia de un hospital o en un cuartel de bomberos del Condado de Los Angeles.

Dispute Mediation Panel

1. Mutually agree upon panel members must possess demonstrated expertise in any one of a variety of fields of professional endeavor: workers' compensation claims management, the law, certified public accountancy, financial auditing, and any other relevant profession.
2. The County and Contractor shall submit to each other 30 days after contract becomes effective, a list of prospective panel members with complete resumes or curriculum vitae and fee per hour.
3. Each mediator must agree to the fee schedule set by the County and Contractor. Each mediator must agree to the mediation rules set forth in the Contract.
4. The mediation panel will be selected by the County and Contractor each initially proposing up to four mediators. Both parties have the discretion to strike any or all of panel members proposed by the other party. When a proposed panel member is stricken, a replacement may be submitted by the proposing party. Both parties have the discretion to strike any or all of replacement panel members proposed by the other party. This process will continue until both parties agree the panel is complete.
5. The parties may agree to reopen the mediation selection process at any time.
6. After the final panel is constituted, mediators will be appointed for each hearing on a rotational process. The process will be maintained by CAO Risk Management. Each hearing will involve only one assessment of adjustment unless the County and the Contractor agree to group similar assessments together for one hearing.
7. A single mediator will hear and decide up to three issues.
8. County and Contractor will each pay 50% of the mediator's fee within 30 days of mediator's decision.
9. County and Contractor will bear their own costs apart from the mediator's fee.
10. Only County and Contractor employees may present data and information before the mediator. No attorney will be authorized to present the County or Contractor's position.
11. The County and Contractor shall meet within 30 days of the contract's annual anniversary date to review panel and implement mutually agreed upon changes to the panel.

PART D - EXHIBITS

Exhibit

- 1 Certification of Independent Price Determination & Acknowledgement of RFP Restrictions
- 2 Cert. No Conflict of Interest Los Angeles Co. Code 2.180.010
- 3 Child Support Compliance Program Certification
- 4 Familiarity of the County Lobbyist Ordinance Certification
- 5 LA County Community Business Enterprise Program
- 6 Principal Owner Information (POI) Form
- 7 Proposer's EEO Certification
- 8 Attestation of Willingness to Consider GAIN/GROW Participants
- 9 County of Los Angeles Contractor Employee Jury Services Program
- 10 Contractor Employee Acknowledgement and Confidentiality Agreement
- 11 Non-Employee Acknowledgement and Confidentiality Agreement
- 12 County's Administration
- 13 Contractor's Administration

LIVING WAGE ORDINANCE AND FORMS

- 14 Living Wage Ordinance
- 15 Acknowledgement and Statement of Compliance
- 16 Contractor Living Wage Declaration
- 17 Living Wage – Payroll Statement of Compliance
- 18 Living Wage – Payroll Reporting Form
- 19 Living Wage – Monthly Certification for Applicable Health Benefit Payments
- 20 Living Wage Ordinance – Notice to Employees

CERTIFICATION OF INDEPENDENT PRICE DETERMINATION & ACKNOWLEDGEMENT OF RFP RESTRICTIONS

- A. By submission of this Proposal, Proposer certifies that the prices quoted herein have been arrived at independently without consultation, communication, or agreement with any other Proposer or competitor for the purpose of restricting competition.
- B. List all names and telephone number of person legally authorized to commit the Proposer.

NAME	PHONE NUMBER
<u>Kevin Hamm, Chief Executive Officer</u>	<u>916-677-2509</u>
<u>Michael Ramser, Executive Vice President</u>	<u>916-780-3613</u>
<u>Lance Witt, Executive Vice President</u>	<u>916-677-2535</u>

NOTE: Persons signing on behalf of the Contractor will be required to warrant that they are authorized to bind the Contractor.

- C. List names of all joint ventures, partners, subcontractors, or others having any right or interest in this contract or the proceeds thereof. If not applicable, state "NONE".

None

- D. Proposer acknowledges that it has not participated as a consultant in the development, preparation, or selection process associated with this RFP. Proposer understands that if it is determined by the County that the Proposer did participate as a consultant in this RFP process, the County shall reject this proposal.

Pacific Secured Equities, dba Intercare Insurance Services

Name of Firm

Michael P. Ramser

Executive Vice President,

Print Name of Signer

Title

Michael P. Ramser

Signature

7/10/23

Date

CERTIFICATION OF NO CONFLICT OF INTEREST

The Los Angeles County Code, Section 2.180.010, provides as follows:

CONTRACTS PROHIBITED

Notwithstanding any other section of this Code, the County shall not contract with, and shall reject any proposals submitted by, the persons or entities specified below, unless the Board of Supervisors finds that special circumstances exist which justify the approval of such contract:

1. Employees of the County or of public agencies for which the Board of Supervisors is the governing body;
2. Profit-making firms or businesses in which employees described in number 1 serve as officers, principals, partners, or major shareholders;
3. Persons who, within the immediately preceding 12 months, came within the provisions of number 1, and who:
 - a. Were employed in positions of substantial responsibility in the area of service to be performed by the contract; or
 - b. Participated in any way in developing the contract or its service specifications; and
4. Profit-making firms or businesses in which the former employees, described in number 3, serve as officers, principals, partners, or major shareholders.

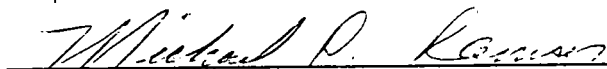
Contracts submitted to the Board of Supervisors for approval or ratification shall be accompanied by an assurance by the department submitting, district or agency that the provisions of this section have not been violated.

Michael P. Ramser

Proposer Name

Executive Vice President

Proposer Official Title



Official's Signature

Cert. of No Conflict of Interest

Los Angeles County Code Chapter 2.200 establishes the Los Angeles County Child Support Compliance Program. This Program requires the County to provide certain information to the Child Support Services Department (CSSD) concerning its employees and business licensees. It further requires that proposers for County contracts submit certifications of Program compliance to the soliciting County department along with their proposals. (In an emergency procurement, as determined by the soliciting County department, these certifications may be provided immediately following the procurement.)

I, (print name as shown in Proposal) Michael P. Ramser , hereby submit this certification to the (County department) Risk Management Branch of the Chief Administrative Office, pursuant to the provisions of County Code Section 2.200.060, and hereby certify that (contractor or association name as shown in Proposal or proposal) Pacific Secured Equities, dba Intercare Insurance Services, an independently-owned or franchiser-owned business (circle one), located at (contractor or, if an association, associated member address) 3010 Lava Ridge Court, #200, Roseville, CA 95661 is in compliance with Los Angeles County's Child Support Compliance Program and has met the following requirements:

- I declare under penalty of perjury that the foregoing is true and correct.***

Copy to: Child Support Services Department
Special Projects
P.O. Box 911009
Los Angeles, CA 90091-1009
FAX: (323) 869-0634

Telephone: (323) 832-7277 or (323) 832-7276

FAMILIARITY OF THE COUNTY LOBBYIST ORDINANCE CERTIFICATION

The Proposer certifies that it is familiar with the terms of the County of Los Angeles Lobbyist Ordinance, Los Angeles Code Chapter 2.160. The Proposer also certifies that all persons acting on behalf of the Proposer organization have and will comply with it during the proposal process.

Signature: Michael D. Lewis Date: 7/10/03

LOBBYIST

CERTIFICATION

County of Los Angeles – Community Business Enterprise Program (CBE)

Request for Local SBE Preference Program Consideration and CBE Firm/Organization Information Form

INSTRUCTIONS: All proposers/bidders responding to this solicitation must complete and return this form for proper consideration of the proposal/bid.

I. LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM:

FIRM NAME: _____

☒ I AM NOT

☐ I AM

A Local SBE certified by the County of Los Angeles Office of Affirmative Action Compliance as of the date of this proposal/bids submission.

☐ As an eligible Local SBE, I request this proposal/bid be considered for the Local SBE Preference.

My County (WebVen) Vendor Number : _____

II. FIRM/ORGANIZATION INFORMATION:

The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.

Business Structure: ☐ Sole Proprietorship ☐ Partnership ☐ XX Corporation ☐ Non-Profit ☐ Franchise
☐ Other (Please Specify) _____

Total Number of Employees (including owners): 328

Race/Ethnic Composition of Firm. Please distribute the above total number of individuals into the following categories:
31 employees declined to provide information regarding their race.

Race/Ethnic Composition	Owners/Partners/ Associate Partners		Managers		Staff	
	Male	Female	Male	Female	Male	Female
Black/African American				1	2	8
Hispanic/Latino			2	1	14	34
Asian or Pacific Islander				1	7	17
American Indian					1	
Filipino						4
White	9	2	11	15	44	117

III. PERCENTAGE OF OWNERSHIP IN FIRM:

Please indicate by percentage (%) how ownership of the firm is distributed.

	Black/African American	Hispanic/Latino	Asian or Pacific Islander	American Indian	Filipino	White
Men	%	%	%	%	%	75%
Women	%	%	%	%	%	25%

IV. CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES:

If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency, complete the following and attach a copy of your proof of certification. (Use back of form, if necessary.)

Agency Name	Minority	Women	Dis- advantaged	Disabled Veteran	Expiration Date

V. DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

Print Authorized Name	Authorized Signature	Title	Date
Michael P. Ramser	<i>Michael P. Ramser</i>	Executive Vice President	7/16/03

PRINCIPAL OWNER INFORMATION FORM

Los Angeles County Code Chapter 2.200 establishes the Los Angeles County Child Support Compliance Program. This Program requires the County to provide certain information to the Child Support Services Department (CSSD) concerning its employees and business licensees. It further requires that proposers for County contracts provide directly to the Child Support Services Department information concerning their "Principal Owners," that is, those natural persons who own an interest of 10 percent or more in the Contractor. For each "Principal Owner," the information which must be provided to the Child Support Services Department is: 1) the Principal Owner's name, 2) his or her title, and 3) whether or not the Contractor has made a payment of any sort to the Principal Owner.

IN ORDER TO COMPLY WITH THIS REQUIREMENT, COMPLETE THIS FORM AND SUBMIT IT DIRECTLY TO THE CSSD AT THE ADDRESS OR FAX NUMBER SHOWN BELOW ON OR BEFORE THE DATE YOU SUBMIT A PROPOSAL TO A COUNTY DEPARTMENT. MAINTAIN DOCUMENTATION OF SUBMISSION. SOLE PRACTITIONER MEMBERS OF AN ASSOCIATION MUST COMPLETE AND SUBMIT INDIVIDUAL FORMS.

In addition, proposers must certify to the soliciting County department that they are in full compliance with the Program requirements by submitting the Child Support Compliance Program Certification along with the bid or proposal.

To: Child Support Services Department
Special Projects
P.O. Box 911009
Los Angeles, CA 90091-1009
FAX: (323) 869-0634

Telephone: (323) 832-7277 or (323) 832-7276

Contractor or Association Name as Shown on Bid or Proposal: Pacific Secured Equities dba Intercare Insurance Services

Contractor or Associated Member Name, if Contractor is an Association: N/A

Contractor or Associated Member Address: Corporate Headquarters: 3010 Lava Ridge Court, Suite 200
Roseville, CA 95661

Telephone: (800)-307-5454 **FAX:** (916) 677-2473

County Department Receiving Bid or Proposal: Risk Management Branch of the Chief Administrative Office

Type of Goods or Services To Be Provided: Workers' Compensation Claims Services

Contract or Purchase Order No. (if applicable): N/A

Principal Owners: Please check appropriate box. If box I is checked, no further information is required. Please sign and date the form below.

- I. ☐ No natural person owns an interest of 10 percent or more in this Contractor.
II. ☒ Required principal owner information is provided below. (Use a separate sheet if necessary.)

	<u>Name of Principal Owner</u>	<u>Title</u>	<u>Payment Received From Contractor</u>
1.	<u>Kevin Hamm</u>	<u>Chief Executive Officer</u>	[YES] [NO]
2.	<u></u>	<u></u>	[YES] [NO]
3.	<u></u>	<u></u>	[YES] [NO]

I declare under penalty of perjury that the foregoing information is true and correct.

By: Michael P. Ramser Date: 7/16/03
(Signature of a principal owner, an officer, or manager responsible for submission of the bid or proposal to the County.)

Michael P. Ramser
(Print Name)

Executive Vice President
(Title/Position)

CONTRACTOR'S EEO CERTIFICATION

Pacific Secured Equities, dba Intercare Insurance Services
Company Name

3010 Lava Ridge Court, Suite 200, Roseville, CA 95661
Address

94-4465745
Internal Revenue Service Employer identification Number

GENERAL

In accordance with provisions of the County Code of the County of Los Angeles, the Contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CERTIFICATION	YES	NO
1. Contractor has written policy statement prohibiting discrimination in all phases of employment.	(XX)	()
2. Contractor periodically conducts a self-analysis or utilization analysis of its work force.	(XX)	()
3. Contractor has a system for determining if its employment practices are discriminatory against protected groups.	(XX)	()
4. When areas are identified in employment practices, Contractor has a system for taking reasonable corrective action to include establishment of goal and/or timetables.	(XX)	()

Michael P. Ramser
Signature

7/16/02
Date

Michael P. Ramser, Executive Vice President
Name and Title of Signer (please print)

ATTESTATION OF WILLINGNESS TO CONSIDER GAIN/GROW PARTICIPANTS

As a threshold requirement for consideration for contract award, Proposer shall demonstrate a proven record for hiring GAIN/GROW participants or shall attest to a willingness to consider GAIN/GROW participants for any future employment opening if they meet the minimum qualifications for that opening. Additionally, Proposer shall attest to a willingness to provide employed GAIN/GROW participants access to the Proposer's employee mentoring program, if available, to assist these individuals in obtaining permanent employment and/or promotional opportunities.

Proposers unable to meet this requirement shall not be considered for contract award.

Proposer shall complete all of the following information, sign where indicated below, and return this form with any resumes and/or fixed price bid being submitted:

- A. Proposer has a proven record of hiring GAIN/GROW participants and will continue to consider GAIN/GROW participants for any future employment openings.

_____ YES XX NO (subject to verification by County)

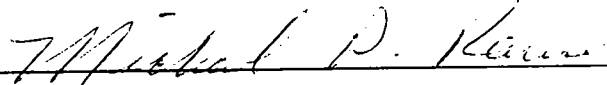
- B. Proposer is willing to consider GAIN/GROW participants for any future employment openings if the GAIN/GROW participant meets the minimum qualifications for the opening. "Consider" means that Proposer is willing to interview qualified GAIN/GROW participants.

XX YES _____ NO

- C. Proposer is willing to provide employed GAIN/GROW participants access to its employee-mentoring program, if available.

_____ YES _____ NO XX N/A (Program not available)

Proposer Organization: Pacific Secured Equities, dba Intercare Insurance Services

Signature: 

Print Name: Michael P. Ramser

Title: Executive Vice President Date: 7/16/13

Tel.#: 916-677-2500 Fax #: 916-677-2473

GAIN/GROW ATTESTATION

**COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM
APPLICATION FOR EXCEPTION AND CERTIFICATION FORM**

County's solicitation for this contract/purchase order (Request for Proposal or Invitation for Bid) is subject to the County of Los Angeles Contractor Employee Jury Service Program (Program) (Los Angeles County Code, Chapter 2.203). All bidders or proposers, whether a contractor or subcontractor, must complete this form to either 1) request an exception from the Program requirements or 2) certify compliance. Upon review of the submitted form, the County department will determine, in its sole discretion, whether the bidder or proposer is excepted from the Program.

Company Name: Pacific Secured Equities, dba Intercare Insurance Services		
Company Address: 3010 Lava Ridge Court, Suite 200		
City: Roseville	State: CA	Zip Code: 95661
Telephone Number: 916-677-2500		
Solicitation For (Type of Goods or Services): Claims Management Services		

If you believe the Jury Service Program does not apply to your business, check the appropriate box in Part I (attach documentation to support your claim); or, complete Part II to certify compliance with the Program. Whether you complete Part I or Part II, please sign and date this form below.

Part I: Jury Service Program Is Not Applicable to My Business

- ☐ My business does not meet the definition of "contractor," as defined in the Program as it has not received an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts (this exception is not available if the contract/purchase order itself will exceed \$50,000). I understand that the exception will be lost and I must comply with the Program if my revenues from the County exceed an aggregate sum of \$50,000 in any 12-month period.
- ☐ My business is a small business as defined in the Program. It 1) has ten or fewer employees; and, 2) has annual gross revenues in the preceding twelve months which, if added to the annual amount of this contract, are \$500,000 or less; and, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined below. I understand that the exemption will be lost and I must comply with the Program if the number of employees in my business and my gross annual revenues exceed the above limits.

"Dominant in its field of operation" means having more than ten employees, including full-time and part-time employees, and annual gross revenues in the preceding twelve months, which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

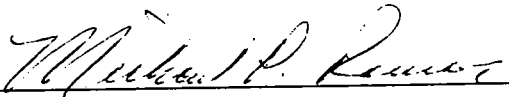
- ☐ My business is subject to a Collective Bargaining Agreement (attach agreement) that expressly provides that it supersedes all provisions of the Program.

OR

Part II - Certification of Compliance

- ☐ My business has and adheres to a written policy that provides, on an annual basis, no less than five days of regular pay for actual jury service for full-time employees of the business who are also California residents, or my company will have and adhere to such a policy prior to award of the contract.

I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

Print Name: Michael P. Ramser	Title: Executive Vice President
Signature: 	Date: 7/18/13

**CONTRACT FOR WORKERS' COMPENSATION CLAIMS ADMINISTRATION
CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY
AGREEMENT**

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME

Contract No. _____

Employee Name _____

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement and Confidentiality Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

CONTRACT FOR WORKERS' COMPENSATION CLAIMS ADMINISTRATION**NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY
AGREEMENT**

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME

Contract No. _____

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Non-Employee Acknowledgement and Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Non-Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

CHIEF ADMINISTRATIVE OFFICER:

Name: David E. Janssen
 Title: Chief Administrative Officer
 Address: 500 West Temple Street, Room 713
Los Angeles, CA 90012
 Telephone: (213) 974-1101

COUNTY CONTRACT ADMINISTRATOR:

Name: Constance S. Sullivan
 Title: Assistant Division Chief, CAO Risk Management Branch
 Address: 3333 Wilshire Blvd., Suite 1000
Los Angeles, CA 90010
 Telephone: (213) 738-2233
 Facsimile: (213) 637-0822
 E-Mail Address: csullivan@cao.co.la.ca.us

COUNTY CONTRACT MANAGER:

Name: Alex Rossi
 Title: Chief Program Specialist, CAO Risk Management Branch
 Address: 3333 Wilshire Blvd., Suite 1000
Los Angeles, CA 90010
 Telephone: (213) 738-2154
 Facsimile: (213) 637-0822
 E-Mail Address: arossi@cao.co.la.ca.us

COUNTY CONTRACT MONITORS:

Name: Joe Carrillo
 Title: Program Specialist III
 Address: 3333 Wilshire Blvd., Suite 1000
Los Angeles, CA 90010
 Telephone: (213) 738-2238
(714) 480-4422
 Facsimile:
 E-Mail Address: jcarrill@cao.co.la.ca.us

Mark Le Blanc
Program Specialist III
3333 Wilshire Blvd., Suite 1000
Los Angeles, CA 90010
(213) 738-2208
(714) 480-4421
mleblanc@cao.co.la.ca.us

EXHIBIT 13

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S NAME Intercare Insurance Services

CONTRACT NO. _____

CONTRACTOR'S PROJECT MANAGER:

Name: Michael P. Ramser
Title: Executive Vice President, Sales
Address: 3010 Lava Ridge Court
Roseville, Ca 95661
Telephone: 916-780-3613
Facsimile: 916-780-3675
E-Mail Address: mramser@intercareins.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: Kevin Hamm
Title: Chief Executive Officer
Address: 3010 Lava Ridge Court
Roseville, Ca 95661
Telephone: 916-677-2509
Facsimile: 916-677-
E-Mail Address: Khamm@intercareins.com

Name: Michael P. Ramser
Title: Executive Vice President, Sales
Address: 3010 Lava Ridge Court
Roseville, Ca 95661
Telephone: 916-780-3613
Facsimile: 916-780-3675
E-Mail Address: mramser@intercareins.com

Notices to Contractor shall be sent to the following address:

Address: 3010 Lava Ridge Court
Roseville, Ca 95661
Telephone: 916-780-3613
Facsimile: 916-780-3675
E-Mail Address: mramser@intercareins.com

Title 2 ADMINISTRATION
Chapter 2.201 LIVING WAGE PROGRAM

2.201.010 Findings.

The board of supervisors finds that the county of Los Angeles is the principal provider of social and health services within the county, especially to persons who are compelled to turn to the county for such services. Employers' failure to pay less than a living wage to their employees causes them to use such services thereby placing an additional burden on the county of Los Angeles. (Ord. 99-0048 § 1 (part), 1999.)

2.201.020 Definitions.

The general definitions contained in Chapter 2.02 shall be applicable to this chapter unless inconsistent with the following definitions:

- A. "County" includes the county of Los Angeles, any county officer or body, any county department head, and any county employee authorized to enter into a Proposition A contract or a cafeteria services contract with an employer.
- B. "Employee" means any individual who is an employee of an employer under the laws of California, and who is providing full time services to an employer, some or all of which are provided to the county of Los Angeles under a Proposition A contract, or under a cafeteria services contract at a county of Los Angeles owned or leased facility.
- C. "Employer" means:
 - 1. An individual or entity who has a contract with the county:
 - a. For services which is required to be more economical or feasible under Section 44.7 of the Charter of the county of Los Angeles, and is not listed as an excluded contract in Section 2.121.250 B of the Los Angeles County Code, referred to in this chapter as a "Proposition A contract," or
 - b. For cafeteria services, referred to in this chapter as a "cafeteria services contract," and
 - c. Who has received or will receive an aggregate sum of \$25,000.00 or more in any 12 month period under one or more Proposition A contracts and/or one or more cafeteria services contracts; or
 - 2. An individual or entity that enters into a subcontract with an employer, as defined in subsection C1 and who employs employees to provide services under the employer's contract with the county.
- D. "Full time" means a minimum 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the chief administrative officer, but in no event less than 35 hours worked per week. (Ord. 99-0048 § 1 (part), 1999.)

2.201.030 Prospective effect.

This chapter shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments the terms of which commence three months or more after the effective date of

Title 2 ADMINISTRATION
Chapter 2.201 LIVING WAGE PROGRAM

this chapter.* It shall not be applicable to Proposition A contracts or cafeteria services contracts or their amendments in effect before this chapter becomes applicable. (Ord. 99-0048 § 1 (part), 1999.)

*Editor's note: Ordinance 99-0048, which enacted Ch. 2.201, is effective on July 22, 1999.

2.201.040 Payment of living wage.

- A. Employers shall pay employees a living wage for their services provided to the county of no less than the hourly rates set under this chapter. The rates shall be \$8.32 per hour with health benefits, or \$9.46 per hour without health benefits.
- B. To qualify for the living wage rate with health benefits, an employer shall pay at least \$1.14 per hour towards the provision of bona fide health care benefits for each employee and any dependents during the term of a Proposition A contract or a cafeteria services contract. Proof of the provision of such benefits must be submitted to the county for evaluation during the procurement process to qualify for the lower living wage rate in subsection A of this section. Employers who provide health care benefits to employees through the county department of health services community health plan are deemed to have qualified for the lower living wage rate in subsection A of this section.
- C. The board of supervisors may, from time to time, adjust the amounts specified in subsections A and B of this section, above for future contracts. (Ord. 99-0048 § 1 (part), 1999.)

2.201.050 Other provisions.

- A. Full Time Employees. An employer shall assign and use full time employees to provide services under a Proposition A contract or a cafeteria services contract, unless the employer can demonstrate to the county the necessity to use non-full time employees based on staffing efficiency or the county requirements of an individual job.
- B. Neutrality in Labor Relations. An employer shall not use any consideration received under a Proposition A contract or a cafeteria services contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of an employer's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act.
- C. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter. The chief administrative officer in conjunction with the affirmative action compliance officer shall issue written instructions on the implementation and on-going administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- D. Compliance Certification. An employer shall, during the term of a Proposition A contract, or a cafeteria services contract, report for each employee and certify the hours worked, wages paid, and amounts the employer paid for health benefits, and provide other information deemed relevant to the enforcement of this chapter by the county. Such

Title 2 ADMINISTRATION
Chapter 2.201 LIVING WAGE PROGRAM

reports shall be made at the times and in the manner set forth in instructions issued by the chief administrative officer in conjunction with the affirmative action compliance officer. The affirmative action compliance officer in conjunction with the chief administrative officer shall report annually to the board of supervisors on contractor compliance with the provisions of this chapter.

- E. **Contractor Standards.** An employer shall demonstrate during the procurement process and for the duration of a Proposition A contract or a cafeteria services contract a history of business stability, integrity in employee relations, and the financial ability to pay a living wage. (Ord. 99-0048 § 1 (part), 1999.)

2.201.060 Employer retaliation prohibited.

No employer shall take an adverse action causing a loss of any benefit of employment, of any contract benefit, or any statutory benefit to any employee, person, or other entity, who has reported a violation of this chapter to the board of supervisors or to one or more of their offices, to the county chief administrative officer, or to the county auditor controller, or to the county department administering the Proposition A contract or cafeteria services contract. (Ord. 99-0048 § 1 (part), 1999.)

2.201.070 Employee retention rights.

In the event that any Proposition A contract or cafeteria service contract is terminated by the county prior to its expiration, any new contract with a subsequent employer for such services shall provide for the employment of the predecessor employer's employees as provided in this section.

- A. A "retention employee" is an employee of a predecessor employer:
1. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act;
 2. Who has been employed by an employer under a predecessor Proposition A contract or a predecessor cafeteria services contract for at least six months prior to the date of a new contract; and
 3. Who is or will be terminated from his or her employment as a result of the county entering into a new contract.
- B. Subsequent employers shall offer employment to all retention employees who are qualified for such jobs.
- C. A subsequent employer is not required to hire a retention employee who:
1. Has been convicted of a crime related to the job or his or her job performance; or
 2. Fails to meet any other county requirement for employees of a contractor.
- D. A subsequent employer may not terminate a retention employee for the first 90 days of employment under a new contract, except for cause. Thereafter a subsequent employer may retain a retention employee on the same terms and conditions as the subsequent employer's other employees. (Ord. 99-0048 § 1 (part), 1999.)

2.201.080 Enforcement and remedies.

Title 2 ADMINISTRATION
Chapter 2.201 LIVING WAGE PROGRAM

For violation of any of the provisions of this chapter:

- A. An employee may bring an action in the courts of the state of California for damages caused by an employer's violation of this chapter.
- B. The county department head responsible for administering a Proposition A contract or a cafeteria services contract may do one or more of the following in accordance with such instructions as may be issued by the chief administrative officer:
 - 1. Assess liquidated damages as provided in the contract; and/or
 - 2. Recommend to the board of supervisors the termination of the contract; and/or
 - 3. Recommend to the board of supervisors that an employer be barred from award of future county contracts for a period of time consistent with the seriousness of the employer's violation of this chapter, not to exceed three years. (Ord. 99-0048 § 1 (part), 1999.)

2.201.090 Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any employer or to any employee in a manner inconsistent with United States or California laws.
- B. Collective Bargaining Agreements. Any provision of this chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. This chapter shall not be applied to any employer which is a nonprofit corporation qualified under Section 501(c)(3) of the Internal Revenue Code.
- D. Small Businesses. This chapter shall not be applied to any employer which is a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:
 - 1. Is not an affiliate or subsidiary of a business dominant in its field of operation; and
 - 2. Has 20 or fewer employees during the contract period, including full time and part time employees; and
 - 3. Does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$1,000,000.00; or
 - 4. If the business is a technical or professional service, does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$2,500,000.00.

"Dominant in its field of operation" means having more than 20 employees, including full time and part time employees, and more than \$1,000,000.00 in annual gross revenues or \$2,500,000.00 in annual gross revenues if a technical or professional service.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners,

Title 2 ADMINISTRATION
Chapter 2.201 LIVING WAGE PROGRAM

officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 99-0055 § 1, 1999: Ord. 99-0048 § 1 (part), 1999.)

2.201.100 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 99-0048 § 1 (part), 1999.)

**LIVING WAGE PROGRAM
AND CONTRACTOR NON-RESPONSIBILITY DEBARMENT****ACKNOWLEDGEMENT AND STATEMENT OF COMPLIANCE**

The undersigned individual is the owner or authorized agent (Agent) of the business entity or organization ("Firm") identified below and makes the following statements on behalf of his or her Firm. **The Agent is required to check each of the applicable boxes below.**

LIVING WAGE ORDINANCE:

XX ☐ The Agent has read the County's Living Wage Ordinance (Los Angeles County Code Section 2.201.010 through 2.201.100), and understands that the Firm is subject to its terms.

CONTRACTOR NON-RESPONSIBILITY AND CONTRACTOR DEBARMENT ORDINANCE:

XX ☐ The Agent has read the County's Determinations of Contractor Non-Responsibility and Contractor Debarment Ordinance (Los Angeles County Code Section 2.202.010 through 2.202.060), and understands that the Firm is subject to its terms.

LABOR LAW/PAYROLL VIOLATIONS:

A "Labor Law/Payroll Violation" includes violations of any federal, state or local statute, regulation, or ordinance pertaining to wages, hours or working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors, or unlawful employment discrimination.

History of Alleged Labor Law/Payroll Violations (Check One):

XX ☐ The Firm **HAS NOT** been named in a complaint, claim, investigation or proceeding relating to an alleged Labor Law/Payroll Violation which involves an incident occurring within three (3) years of the date of the proposal; **OR**

☐ The Firm **HAS** been named in a complaint, claim, investigation or proceeding relating to an alleged Labor Law/Payroll Violation which involves an incident occurring within three (3) years of the date of this proposal. (I have attached to this form the required Labor/Payroll/Debarment History form with the pertinent information for each allegation.)

History of Determinations of Labor Law /Payroll Violations (Check One):

XX ☐ There **HAS BEEN NO** determination by a public entity within three (3) years of the date of the proposal that the Firm committed a Labor Law/Payroll Violation; **OR**

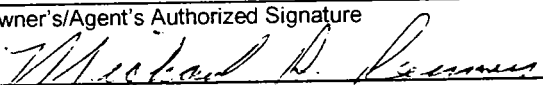
☐ There **HAS BEEN** a determination by a public entity within three (3) years of the date of the proposal that the Firm committed a Labor Law/Payroll Violation. I have attached to this form the required Labor/Payroll/Debarment History form with the pertinent information for each violation (including each reporting entity name, case number, name and address of claimant, date of incident, date claim opened, and nature and disposition of each violation or finding.) (The County may deduct points from the proposer's final evaluation score ranging from 1% to 20% of the total evaluation points available with the largest deductions occurring for undisclosed violations.)

HISTORY OF DEBARMENT (Check one):

XX ☐ The Firm **HAS NOT** been debarred by any public entity during the past ten (10) years; **OR**

☐ The Firm **HAS** been debarred by a public entity within the past ten (10) years. Provide the pertinent information (including each reporting entity name, case number, name and address of claimant, date of incident, date claim opened, and nature and disposition of each violation or finding) on the attached Labor/Payroll/Debarment History form.

I declare under penalty of perjury under the laws of the State of California that the above is true, complete and correct.

Owner's/Agent's Authorized Signature 	Print Name and Title Michael P. Ramser, Executive Vice President
Print Name of Firm Pacific Secured Equities, dba Intercare Insurance Services	Date 7/10/03



COUNTY OF LOS ANGELES LIVING WAGE ORDINANCE

LIVING WAGE DECLARATION

The contract to be awarded pursuant to this Request for Proposal (RFP) is subject to the County of Los Angeles Living Wage Ordinance (Program). You must declare your intent to comply with the Program.

If you believe that you are exempt from the Program, please complete the Application for Exemption form and submit it, as instructed in the RFP, to the County awarding department.

If you are not exempt from the Program, please check the option that best describes your intention to comply with the Program.

- ☐ I do not have a bona fide health care benefit plan for those employees who will be providing services to the County under the contract. I will pay an hourly wage rate of not less than **\$9.46 per hour** per employee.
- ☐ I do have a bona fide health care benefit plan for those employees who will be providing services to the County under the contract but will pay into the plan **less than \$1.14 per hour** per employee. I will pay an hourly wage of not less than **\$9.46 per hour** per employee.
- XX** ☒ I do have a bona fide health care benefit plan for those employees who will be providing services to the County under the contract and will pay into the plan **at least \$1.14 per hour** per employee. I will pay an hourly wage of not less than **\$8.32 per hour** per employee.

Health Plan(s): Kaiser, PacifiCare

Company Insurance Group Number: Kaiser - #38431; PacifiCare - #516435

Health Benefit(s) Payment Schedule:

XX ☒ Monthly ☐ Quarterly ☐ Bi-Annual

☐ Annually ☐ Other: _____
(Specify)

PLEASE PRINT COMPANY NAME:
Pacific Secured Equities, dba Intercare Insurance Services

I declare under penalty of perjury under the laws of the State of California that the above is true and correct:

SIGNATURE:

Michael P. Ramser

DATE:

7/16/13

PLEASE PRINT NAME: Michael P. Ramser

TITLE OR POSITION: Executive Vice President

COUNTY OF LOS ANGELES LIVING WAGE PROGRAM

PAYROLL STATEMENT OF COMPLIANCE

I, Bruce Irons C.E.O.
(Name of Owner or Company Representative)

Do hereby state:

1. That I pay or supervise the payment of the persons employed by

Tough Guy, Inc. on the Headquarters
(Company or Subcontractor Name) (Address)

that during the payroll period commencing on the 1st day of August 2000 and
(Calendar day of Month) (Month and Year)

ending the 27th day of August 2000 all persons employed on said work site
(Calendar day of Month) (Month and Year)

have been paid the full weekly wages earned, that no rebates have been or will be made either directly or

Indirectly to or on behalf of Tough Guy, Inc.
(Company Name)

from the full weekly wages earned by any person and that no deductions have been made either directly or in directly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:

Deduction: Credit Union Savings Program (insert amount & frequency) 3

2. That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for employees contained therein are not less than the applicable County of Los Angeles Living Wage rates contained in the contract.

3. That:

A. WHERE FRINGE (Health) BENEFITS ARE PAID TO APPROVED PLANS, FUNDS OR PROGRAMS

- ☒ In addition to the basic hourly wage rates paid to each employee listed in the above referenced payroll, payments of health benefits as required in the contract have been or will be paid to appropriate programs for the benefit of such employees

B. WHERE FRINGE (Health) BENEFITS ARE PAID IN CASH

- ☐ Each employee listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the applicable amount of the required County of Los Angeles Living Wage hourly rate as listed in the contract.

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Name and Title

Mr. Tough Guy, C.E.O.

Owner or Company Representative Signature

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. IN ADDITION, THE CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD OF THREE (3) YEARS.

COUNTY OF LOS ANGELES
LIVING WAGE PROGRAM

PAYROLL STATEMENT OF COMPLIANCE

I, _____
(Name of Owner or Company Representative)

Do hereby state:

1. That I pay or supervise the payment of the persons employed by _____ on the _____
(Company or subcontractor Name) (Service, Bidding or Work Site)
that during the payroll period commencing on the _____ day of _____, and
(Calendar day of Month) (Month and Year)
ending the _____ day of _____ all persons employed on said work site
(Calendar day of Month) (Month and Year)
have been paid the full weekly wages earned, that no rebates have been or will be made either directly or
indirectly to or on behalf of _____
(Company Name)

from the full weekly wages earned by any person and that no deductions have been made either directly or in
directly from the full wages earned by any person, other than permissible deductions as defined in
Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as
amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:

2. That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for employees contained therein are not less than the applicable County of Los Angeles Living Wage rates contained in the contract.

3. That:

A. WHERE FRINGE (Health) BENEFITS ARE PAID TO APPROVED PLANS, FUNDS OR PROGRAMS

- ☐ In addition to the basic hourly wage rates paid to each employee listed in the above referenced payroll, payments of health benefits as required in the contract have been or will be paid to appropriate programs for the benefit of such employees.

B. WHERE FRINGE (Health) BENEFITS ARE PAID IN CASH

- ☐ Each employee listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the applicable amount of the required County of Los Angeles Living Wage hourly rate as listed in the contract.

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Name and Title

Owner or Company Representative Signature

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. IN ADDITION, THE CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD OF THREE (3) YEARS.

LIVING WAGE ORDINANCE – PAYROLL REPORTING FORM
Instructions for completing and filing Living Wage Ordinance-Payroll Reporting fo

EXHIBIT 18

The Living Wage Ordinance-Payroll Reporting (Payroll) form is to be completed by each contractor (both prime and subcontractor) and signed by a responsible official of the company. The reports are to be filed by the 15th day of each month following the preceding reporting period, during the term of the contract, and shall include the total work hours for each employee working on a County contract. The prime contract shall submit a report for its aggregate work force and collect and submit reports for each subcontractor's aggregate work force to the contracting County department.

Clearly print in ink, type or indicate with a check mark (✓) all entries:

CONTRACTOR INFORMATION:

- 1) Contractor/Subcontractor: Indicate by a check (✓) in the applicable box to identify your status as a Contractor or Subcontractor.
- 2) Name: Enter your company's name.
- 3) Address: Enter your company's street address, city, state and zip code.
- 4) Contract Person: Print the name of the company representative responsible for responding to the County's questions regarding information provided on the form.
- 5) Telephone: Enter the contact person's telephone number, including area code and extension, if applicable.
- 6) Contract No.: Enter the County's Contract Number (from the signed contract).
- 7) Type of Service: Provide a brief description of service provided under the contract (e.g., custodial, ground maintenance or refer to the contract description).
- 8) Work Location(s): Indicate the County locations (addresses) serviced under the contract number indicated above.

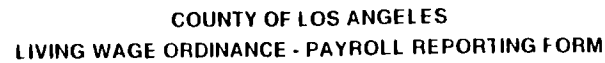
PAYROLL INFORMATION:

- 9) Payroll Period: Enter the beginning and ending dates of the payroll period of this report.
- 10) Name/Address: For each employee, provide the surname and first name, followed by the employee's street address, city and zip code.
- 11) SS #: Enter the employee's Social Security number.
- 12) Full/Part: Check (✓) the applicable box to identify the named employee's work status with your company (i.e., Full = works for company full-time or works full-time for your company but provides part-time service to the County; or Part = only works part-time with County approval).
- 13) Health Ins.: Check (✓) the applicable box to acknowledge whether company provides any health benefits to the named employee.
- 14) Pos Title: Enter the named employee's work classification (position title) when performing County contract services (e.g., custodian, foreman, etc.).
- 15) Day and Date: Under the applicable date of the month within the reported Payroll Period, enter the hours worked by the named employee on the appropriate category line to indicate straight hours worked on County contract (County), overtime hours worked on County contract (first OT line), straight hours worked on non-County contract (Other Job) and/or overtime hours worked on non-County contract (last OT line).
- 16) Total Hours: Indicate the gross (total) hours worked in each category by the named employee during reported Payroll Period.
- 17) Pay Rate: Enter the actual hourly pay rate for each category in which hours were worked during reported Payroll Period (County straight paid, County OT, Other Job straight paid and/or non-County OT). Enter the named employee's rate of pay.
- 18) Gross: Enter the gross (grand) total of wages paid the named employee during reported Payroll Period (multiply entry 16 by entry 17 for each category in which employee worked. Grand total of computations equals Gross Earnings).

DEDUCTIONS:

Enter the applicable taxes and deduction amounts deducted from named employee's gross earnings during reported Payroll Period:

- 19) Medi-SS / FICA: The amount of Federal Insurance Contributions Act taxes deducted from named employee's gross earnings.
- 20) Fed Taxes: The amount of Federal Taxes deducted from the named employee's gross earnings.
- 21) State Taxes: The amount of California State Taxes deducted from the named employee's gross earnings.
- 22) Hlth. Ins.: The amount of the named employee's elected contribution to Health Insurance premium deducted from the named employee's gross earnings.
- 23) Other: Any additional withholdings not listed in entries 19 through 22. Please describe in section entitled Payroll Statement of Compliance
- 24) Total Deduct: The total of all deductions withheld during reported Payroll Period (total entries 19 through 23).
- 25) Net Wages: The net payment to the named employee (18 less 24 equals Net Wages).



(10) NAME / ADDRESS	(11) SS #:	(14) Position Title	(16) DAY AND DATE																		(18) Total Hours	(17) Pay Rate	(19) Gross	(20) DEDUCTIONS						(25) Net Wages
																								(21) Medi-SS FICA	(22) Fed Tax	(23) State Tax	(24) Hlth. Ins.	(25) Other	(26) Total Deduct	
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	XXX												
	(12) <input type="checkbox"/> Full		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31												
	<input type="checkbox"/> Part	County																												
	(13) Health Ins.	OT																												
	<input type="checkbox"/> Yes	Other Job																												
	<input type="checkbox"/> No	OT																												



COUNTY OF LOS ANGELES
LIVING WAGE ORDINANCE - PAYROLL REPORTING FORM

PAGE 3 OF 5

(1) CONTRACTOR	SUBCONTRACTOR	(6) CONTRACT NO.: 12345
(2) NAME: Tough Guy Inc.	(7) TYPE OF SERVICE: Security Services - LAX Airport	
(3) ADDRESS: 1501 Torrance Blvd., Ste. 11A, Torrance, CA 90503	(8) WORK LOCATION(S): LAX Airport	
(4) CONTACT PERSON: T. Guy	(5) TELEPHONE: (213) 974-1393	(9) PAYROLL PERIOD (Beginning and end dates): 08 / 08 / 00 - 08 / 21 / 00

(10) NAME / ADDRESS	(11) SS #: 111 11-1111	(14) Position Title	(16) DAY AND DATE																	(18) Total Hours	(17) Pay Rate	(19) Gross Pay	(19) DEDUCTIONS					(24) Total Deduct	(25) Net Wages	
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	XXX	(20) Medi-SS FICA				(21) Fed Tax	(22) State Tax	(23) Hlth. Ins.	(23) Other				
			16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31												
Del Real, Rafael 14821 Larch Ave. Lawndale, CA 90260	(12) • Full	County	8	8	8	8				8	8	8	8				8		80	13.50	1080.00	67.59	146.02	62.89	4.25		280.74	793.57		
	• Part	OT								0.5								0.05	20.25	10.13	15.81	15.81								
	(13) Health Ins.	Other Job																												
	• Yes	OT																												
	• No																													

CAUTION

(10) NAME / ADDRESS	(11) SS #: 222-22-2222	(14) Position Title	(16) DAY AND DATE																	(18) Total Hours	(17) Pay Rate	(18) Gross Pay	(19) DEDUCTIONS					(24) Total Deduct	(25) Net Wages
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	XXX	(20) Medi-SS FICA				(20) Fed Tax	(21) State Tax	(22) Hlth. Ins.	(23) Other			
			16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31											
Masterson, Philip 15567 Reeves Avenue Culver, City, CA 90230	(12) • Full	County	8	8	8	8				8	8	8	8			8		80	9.46	756.80	49.56	67.41	26.97	25.00		168.94	618.84		
	• Part	OT				1.50			0.5	1							3	14.19	42.57	11.59					11.59				
	(13) Health Ins.	Other Job																											
	• Yes	OT																											
	• No																												

CAUTION

(10) NAME / ADDRESS	(11) SS #: 333-33-3333	(14) Position Title	(16) DAY AND DATE																	(18) Total Hours	(17) Pay Rate	(18) Gross	(19) DEDUCTIONS					(24) Total Deduct	(25) Net Wages
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	XXX	(19) Medi-SS FICA				(20) Fed Tax	(21) State Tax	(22) Hlth. Ins.	(23) Other			
			16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31											
Palmeri, Thomas 1711 Masontown Road Long Beach, CA 90802	(12) • Full	County	4	4	4	6				4	4	4	4	6			4		44	9.46	416.24	49.59	84.96	43.01	25.00	25.00	227.56	560.61	
	• Part	OT				4							4					8	14.19	113.52	11.6					11.6			
	(13) Health Ins.	Other Job	4	4	4	2				4	4	4	4	2			4		36	7.50	270.00								
	• Yes	OT																											
	• No																												

(10) NAME / ADDRESS	(11) SS #: 444-44-4444	(14) Position Title	(16) DAY AND DATE																	(18) Total Hours	(17) Pay Rate	(19) Gross Pay	(18) DEDUCTIONS					(24) Total Deduct	(25) Net Wages
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	XXX	(20) Medi-SS FICA				(21) Fed Tax	(22) State Tax	(23) Hlth. Ins.	(23) Other			
			16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31											
Figueron, Arturo 5569 Via Marisol Los Angeles, CA 90042	(12) • Full	County	8.0	8.0	8.0	9.0				8.0	8.0	8.0					9.0		66	9.46	624.36	48.39	99.57	44.31			295.18	473.95	
	• Part	OT	1.5	1.0	1.5	1.5				1.5	1.5	1.5					1.0		11	14.19	156.09	11			84.17	18.75	11.32		
	(13) Health Ins.	Other Job																											
	• Yes	OT																											
	• No																												

CAUTION



COUNTY OF LOS ANGELES
LIVING WAGE ORDINANCE

MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS

EXHIBIT 19

Instruction Box: Please complete all sections of this form (information to complete this form can be obtained from your weekly certified payroll reports). Submit this form with your Certified Payroll Reports to the awarding County department. Be sure to complete and sign the reverse side of this form before submitting.

(1) Name: Contractor <input type="checkbox"/> Subcontractor <input type="checkbox"/>		Address: (Street, City, State, Zip)	
(2) Payroll No.:	(3) Work Location:	(4) From payroll period: to payroll period:	(5) For Month Ending:
(6) Department Name:		(7) Contract Service Description:	(8) Contract Name & Number:
(9) Contractor Health Plan Name(s):		(10) Contractor Health Plan ID Number(s):	
(11) Employee Name, Address & Social Security Number	(12) Work Classification	(13) Total Hours Worked Each Week of Monthly Pay Period	(14) Total Aggregate Hours
		1 2 3 4 5	(15) Employer Paid Health Benefit Hourly Rate
			(16) Gross Amount Paid (14x15)
			(17) Employee Paid Health Benefit Hourly Rate
			(18) Gross Amount Paid (14x17)
			(19) Aggregate \$ Health Benefits Paid (16+18)
I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.		Total (This Page)	
Print Authorized Name:		Grand Total (All Pages)	
Authorized Signature:		Date: / /	Title:
		Telephone Number (include area code) ()	Page: of



Instruction Box: Please complete all sections of this form. (Information to complete this form can be obtained from your weekly certified payroll reports.) Submit this form with your Certified Payroll Reports to the awarding County department. Be sure to complete and sign the reverse side of this form before submitting.

152nd St. at 4th Ave.

**COUNTY OF LOS ANGELES****NOTICE TO EMPLOYEES
COUNTY OF LOS ANGELES LIVING WAGE ORDINANCE**

This employer is a contractor with the County of Los Angeles. This contract is subject to the Living Wage Ordinance (LWO) established by the Board of Supervisors (Los Angeles County Code Chapter 2.201). If you are a full-time employee and perform any service to the County under this contract, you must be paid a "living wage" for the hours you work on the County contract.

THESE ARE YOUR RIGHTS. . .**Living Wage**

If you are a full-time employee, you must be paid no less than either of the two Living Wage rates identified below as Option 1 or Option 2:

- Option 1: You must be paid not less than the living wage rate of \$8.32 per hour and your employer must pay at least \$1.14 per hour towards health benefits, **OR**
- Option 2: You must be paid not less than the living wage rate of \$9.46 per hour:
- The \$9.46 per hour rate must be paid to you if your employer does not provide you with health benefits, or if your employer pays less than \$1.14 per hour towards your health benefits for you.
 - The \$9.46 per hour rate includes \$1.14 per hour to enable you to purchase health benefits on your own, if you so chose. If you need help finding a health plan, your employer may be able to assist you.

Retaliation

You cannot be transferred, demoted or terminated because you reported violations of the Living Wage Program. All acts of retaliation can be reported to the Office of Affirmative Action Compliance by calling the Living Wage Hotline.

Worker Retention

If the County of Los Angeles terminates its contract with your current employer before the contract's expiration date and enters into a new contract with another contractor for the same service, you may be eligible to continue working as an employee of the new contractor for a period not less than 90 days following the start of the new contract.

Federal Earned Income Tax Credit

You may be eligible to apply for the Federal Earned Income Tax Credit and receive up to \$3,756 a year if you qualify. Application forms are available from your employer or by contacting the Internal Revenue Service at (800) 829-3676.

You May Report Living Wage Violations to:

CHIEF ADMINISTRATIVE OFFICE
County Department Administering this Contract

(213) 738-2199
County Department Phone Number

OR

**Office of Affirmative Action Compliance
Living Wage Hotline
(888) 550-WAGE OR (888) 550-9243**